APPENDICES

APPENDIX A

United States Court of Appeals for the Fifth Circuit

No. 20-10651

IN THE MATTER OF: WILLIAM PAUL BURCH

Debtor,

WILLIAM PAUL BURCH,

Appellant,

versus

FREEDOM MORTGAGE CORPORATION; FEDERAL NATIONAL BANK ASSOCIATION; SERETUS, INCORPORATED; RUSHMORE LOAN MANAGEMENT SERVICES, L.L.C.; LOAN CARE SERVICING CENTER; JP MORGAN CHASE BANK, N.A.,

Appellees.

Appeal from the United States District Court
for the Northern District of Texas
USDC No. 4:20-CV-449

ON PETITION FOR REHEARING

Before STEWART, HAYNES, and HO, *Circuit Judges*.

PER CURIAM:

IT IS ORDERED that the petition for rehearing is DENIED.

APPENDIX B

United States Court of Appeals for the Fifth Circuit

United States Court of Appeals
Fifth Circuit
FILED
June 13, 2022
Lyle W. Cayce
Clerk

No. 20-10651
Summary Calendar

IN THE MATTER OF WILLIAM PAUL BURCH

Debtor,

WILLIAM PAUL BURCH,

Appellant,

versus

FREEDOM MORTGAGE CORPORATION; FEDERAL NATIONAL BANK ASSOCIATION; SERETUS, INCORPORATED; RUSHMORE LOAN MANAGEMENT SERVICES, L.L.C.; LOAN CARE SERVICING CENTER; JP MORGAN CHASE BANK, N.A.,

Appellees.

Appeal from the United States District Court
for the Northern District of Texas
USDC No. 4:20-CV-449

Before STEWART, HAYNES, and HO, *Circuit Judges*.

PER CURIAM:*

William Paul Burch appeals from the district court's without-prejudice dismissal, for failure to pay the filing fee, of his appeal of a judgment of the bankruptcy court for the Northern District of Texas. Burch has filed a motion to remand the matter to the district court, stating that he is now able to pay the filing fee because his financial situation has improved. Because the record does not establish that the district court issued a statement or indicative ruling in accordance with Federal Rule of Civil Procedure 62.1 and Federal Rule of Appellate Procedure 12.1, upon which Burch relies, his motion to remand so that he can pay the filing fee is denied. *See* FED. R. APP. P. 12.1; FED. R. CIV. P. 62.1; *cf. Moore v. Tangipahoa Par. Sch. Bd.*, 836 F.3d 503, 504 (5th Cir. 2016). Burch's motion to withdraw the above motion is also denied.

Additionally, Burch moves to procced in forma pauperis (IFP) on appeal. To proceed IFP, a litigant must be economically eligible, and his appeal must not be frivolous. *Carson v. Polley*, 689 F.2d 562, 586 (5th Cir. 1982). If the appeal is frivolous, this court will dismiss it. *See* 28 U.S.C. § 1915(e)(2)(B)(i); 5TH CIR. R. 42.2.

Even before Burch's concessions regarding his improved financial situation, we held that he was not financially eligible to proceed IFP on appeal. *See Burch v. Freedom Mortg. Corp. (Matter of Burch)*, 835 F. App'x 741, 749 (5th Cir.), *cert. denied*, 142 S. Ct. 253 (2021), *rehearing denied*, No. 21-5069, 2021 WL 5763451 (U.S. Dec. 6, 2021). Further, Burch's conclusional assertions of error, without cogent argument, effectively fail to identify any error in the dismissal of his bankruptcy appeal for failing to pay the filing fee, and he has not he has not shown a nonfrivolous issue on appeal.

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* Pursuant to 5TH CIRCUIT RULE 47.5, the court has determined that this opinion should not be published and is not precedent except under the limited circumstances set forth in 5TH CIRCUIT RULE 47.5.4.

See Carson, 689 F.2d at 586. Accordingly, the motion to proceed IFP is denied, and the appeal is dismissed as frivolous. *See* § 1915(e)(2)(B)(i); 5TH CIR. R. 42.2. Because we dismiss the appeal, we deny as unnecessary the motion for partial dismissal of the appeal filed by Freedom Mortgage Corporation.

In prior instances, we have issued sanctions warnings and directed Burch to review his pending appeals and withdraw any that were frivolous. *See, e.g., Burch v. Freedom Mortg. Corp.*, 850 F. App'x 292, 294 (5th Cir. 2021); *Matter of Burch*, 835 F. App'x at 749. Because Burch failed to heed our warnings, we previously imposed monetary sanctions. *Burch v. Select Portfolio Servicing, Inc. (Matter of Burch)*, No. 20-11171, 2022 WL 212836, *1 (5th Cir. Jan. 24, 2022) (unpublished) ($250 sanction); *Burch v. America's Servicing Company (Matter of Burch)*, No. 20-11074, 2021 WL 5286563, *1 (5th Cir. Nov. 12, 2021) (unpublished) ($100 sanction).

Our court recently imposed an additional $500 sanction against Burch, in *In re Burch*, No. 20-11132, 2022 WL 1402044 (5th Cir. May 4, 2022). We again warn Burch that additional frivolous or abusive filings in this court, the district court, or the bankruptcy court will result in the imposition of further sanctions. Burch is once again admonished to review any pending appeals and to withdraw any that are frivolous.

MOTIONS DENIED; APPEAL DISMISSED AS FRIVOLOUS; ADDITIONAL SANCTION WARNING ISSUED.

APPENDIX C

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

WILLIAM PAUL BURCH,	§	
	§	
Debtor/Appellant,	§	
	§	
v.	§	**Civil Action No. 4:20-cv-00449-O**
	§	
FREEDOM MORTGAGE CORP, et al.,	§	
	§	
Appellees.	§	

ORDER

On June 4, 2020, the Court denied Appellant William Paul Burch's ("Appellant") Motion to Proceed In Forma Pauperis and order Appellant "to pay his filing fee on or before **June 12, 2020** or risk dismissal of this appeal." Order, ECF No. 6 (emphasis in original). Appellant failed to pay his fee. Accordingly, the Court **ORDERS** that Appellant's appeal be **DISMISSED without prejudice.**

SO ORDERED on this **15th day** of **June, 2020.**

Reed O'Connor
UNITED STATES DISTRICT JUDGE

APPENDIX D

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 28, 2020

Mark X. Mullin
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FT. WORTH DIVISION

In re:	§	
	§	
William Paul Burch,	§	Case No. 12-46959-mxm-7
	§	
Debtor.	§	Chapter 7
	§	

	§	
William Paul Burch,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Adversary No. 19-4068-mxm
	§	(Formerly District Court Civil Action No.
Freedom Mortgage Corp., Federal Nat'l	§	4:18-cv-01015-O-BP)
Bank Ass'n.; Rushmore Loan Mgmt.	§	
Services LLC; Loan Care Servicing Ctr.; JP	§	
Morgan Chase NA,	§	
	§	
Defendants.	§	

ORDER GRANTING MOTIONS TO DISMISS
[Relates to Adv. ECF Nos. 4-1, 4-5, 4-9]

Before the Court are motions to dismiss (the "***Motions to Dismiss***") under Federal Civil Rule 12(b)(6), filed by defendants JPMorgan Chase Bank, N.A. ("***Chase***"),[1] Loan Care Servicing Center ("***LC***"),[2] and Federal National Mortgage Association ("***Fannie Mae***") and Seterus, Inc. ("***Seterus***")[3] (together, the "***Moving Defendants***"). The Moving Defendants ask the Court to dismiss for failure to state a claim *Plaintiff's Amended Complaint* (the "***Amended Complaint***"),[4] filed by plaintiff William Paul Burch (the "***Plaintiff***" or the "***Debtor***"). For the reasons described below, the Court agrees that the Amended Complaint fails to state a claim upon which relief can be granted, so the Motions to Dismiss are granted.[5]

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[1] *Defendant JPMorgan Chase Bank, N.A.'s Motion to Dismiss Plaintiff's Amended Complaint* (the "***Chase Motion to Dismiss***"), Adv. ECF No. 4-5 (Civil Action Doc. No. 26); *see also Brief in Support of Defendant JPMorgan Chase Bank, N.A.'s Motion to Dismiss Plaintiff's Amended Complaint*, Adv. ECF No. 4-6 (Civil Action Doc. No. 27), *Appendix to Brief in Support of Defendant JPMorgan Chase Bank, N.A.'s Motion to Dismiss Plaintiff's Amended Complaint*, Adv. ECF No. 4-7 (Civil Action Doc. No. 28); *Reply Brief in Support of Defendant JPMorgan Chase Bank, N.A.'s Motion to Dismiss Plaintiff's Complaint*, Adv. ECF No. 5-4 (Civil Action Doc. No. 35); *Reply Brief in Support of Defendant JPMorgan Chase Bank, N.A.'s Motion to Dismiss Plaintiff's Amended Complaint*, Adv. ECF No. 6-1 (Civil Action Doc. No. 42).

[2] *Defendant Loan Care Servicing Center's Motion to Dismiss Plaintiff's Amended Complaint* (the "***LC Motion to Dismiss***"), Adv. ECF No. 4-1 (Civil Action Doc. No. 22); *see also Defendant Loan Care Servicing Center's Brief in Support of Motion to Dismiss Plaintiff's Second Amended Complaint*, Adv. ECF No. 4-2 (Civil Action Doc. No. 23), *Reply Brief in Support of Defendant Loan Care Servicing Center's Motion to Dismiss Plaintiff's Amended Complaint*, Adv. ECF No. 5-8 (Civil Action Doc. No. 39).

[3] *Defendants Federal National Mortgage Association's and Seterus, Inc.'s Motion to Dismiss Plaintiff's Amended Complaint* (the "***Fannie Mae/Seterus Motion to Dismiss***"), Adv. ECF No. 4-9 (Civil Action Doc. No. 30), *Brief in Support of Defendants Federal National Mortgage Association's and Seterus, Inc.'s Motion to Dismiss Plaintiff's Amended Complaint*, Adv. ECF No. 5 (Civil Action Doc. No. 31); *Appendix in Support of Defendants Federal National Mortgage Association's and Seterus, Inc.'s Motion to Dismiss Plaintiff's Amended Complaint*, Adv. ECF No. 5-1 (Civil Action Doc. No. 32); *Defendants Federal National Mortgage Association's and Seterus, Inc.'s Reply in Support of their Motion to Dismiss Plaintiff's Amended Complaint*, Adv. ECF No. 5-9 (Civil Action Doc. No. 40).

[4] Adv. ECF No. 3-6 (Civil Action Doc. No. 17).

[5] As noted at the end of this Order, because this Order disposes of fewer than all claims against all parties (for example, it does not dispose of the Plaintiff's claims against Freedom and Rushmore), this Order is not a final order and is not subject to an immediate appeal. After an order is entered resolving all remaining claims and counterclaims and a final judgment is entered as to all parties, then the Plaintiff or any other aggrieved party will be entitled to appeal the final judgment.

I. JURISDICTION AND VENUE

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157(a). This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. § 1409(a).

II. PROCEDURAL BACKGROUND[6]

A. The Debtor's bankruptcy filings and confirmed plans

On December 1, 2008, the Debtor and Juanita Burch filed for Chapter 11 bankruptcy (the "***2008 Bankruptcy Case***") to prevent foreclosure on multiple properties, including property located at 203 Hemlock in Arlington, Texas (the "***Hemlock Property***").[7]

On January 21, 2009, Chase Home Finance, LLC filed proof of claim number 27-1 in the 2008 Bankruptcy Case, asserting a claim for $87,000.09 secured by a mortgage on the Hemlock Property.[8] According to the proof of claim, Chase Home Finance, LLC was the servicer and holder of the note and mortgage (together, the "***Hemlock Loan Documents***") and was authorized to file the proof of claim on behalf of Fannie Mae, "the owner of the loan."[9]

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[6] The documents cited in this section are either referred to in, or attached to, the Amended Complaint, or are matters of which this Court can take judicial notice. *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 322 (2008) (directing courts to "consider the complaint in its entirety, as well as other sources courts ordinarily examine when ruling on Rule 12(b)(6) motions to dismiss, in particular, documents incorporated into the complaint by reference, and matters of which a court may take judicial notice"); *Norris v. Hearst Trust*, 500 F.3d 454, 461 n.9 (5th Cir. 2007) ("[I]t is clearly proper in deciding a 12(b)(6) motion to take judicial notice of matters of public record.").

[7] *See* Case No. 08-45761-RFN-11.

[8] Attached as exhibits to the proof of claim are an "InterestFirst Note" dated December 4, 2006, payable to Freedom Mortgage Corporation in the amount of $78,750, and a related deed of trust.

[9] Claim 27-1, at 2, Case No. 08-45761-RFN-11.

On December 9, 2009, the Court entered an *Order Confirming Debtor's Third Amended Plan of Reorganization* (the "***2008 Bankruptcy Case Confirmation Order***"),[10] which confirmed the Debtors' *Fourth Amended Plan of Reorganization* (the "***2008 Bankruptcy Case Chapter 11 Plan***")[11] that is attached as Exhibit A to the 2008 Bankruptcy Case Confirmation Order. Section 5.8 of the 2008 Bankruptcy Case Chapter 11 Plan provided for treatment of the claims of "Chase Bank," which the plan listed as the "mortgage holder" on several properties.[12] The specific treatment as to the Hemlock Property was as follows:

> Based upon the Debtors' current value of the Hemlock property, the Debtors will enter into a New Hemlock Note in the original principal amount of $84,950 ("New Hemlock Note"). The New Hemlock Note shall bear interest at the rate of 5.25% per annum. The Debtors shall pay the New Hemlock Note in 360 equal monthly payments of $469.65 commencing on the Effective Date.[13]

No party appealed the 2008 Bankruptcy Case Confirmation Order. The 2008 Bankruptcy Case was closed on September 11, 2012.

On December 28, 2012, Burch filed for Chapter 13 bankruptcy (the "***2012 Bankruptcy Case***").[14] The 2012 Bankruptcy Case was converted to Chapter 11 on December 23, 2013.[15]

On November 18, 2015, Seterus, "as authorized subservicer" for Fannie Mae, filed proof of claim number 35-1 in the 2012 Bankruptcy Case, asserting a secured claim for $104,027.36 and

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[10] ECF No. 246, Case No. 08-45761-RFN-11.

[11] *Fourth Amended Plan of Reorganization of William & Juanita Burch Pursuant to Section 1125 of the Bankruptcy Code Dated October 16, 2009*, ECF No. 244, Case No. 08-45761-RFN-11.

[12] 2008 Bankruptcy Case Chapter 11 Plan § 5.8.

[13] *Id.*

[14] ECF No. 1, Case No. 12-46959.

[15] *Order Converting Case from Chapter 13 to Chapter 11*, ECF No. 100, Case No. 12-46959.

attaching the same Hemlock Loan Documents that were attached to proof of claim number 27-1 in the 2008 Bankruptcy Case.[16]

On January 5, 2016, the Plaintiff filed an amended Chapter 11 plan of reorganization (the "***2012 Bankruptcy Case Chapter 11 Plan***"),[17] and on February 1, 2016, the Court entered an order confirming that plan (the "***2012 Bankruptcy Case Confirmation Order***").[18] The 2012 Bankruptcy Case Chapter 11 Plan provided the following treatment of Seterus's secured claim:

Class	Claim No.	Collateral	Amount of claim
9	35	203 Hemlock	$104,027.36

> The Class 9 Allowed Secured Claim of Seterus, Inc., as the Authorized Subservicer for Federal National Mortgage Association ("Fannie Mae"), Creditor c/o Seterus, Inc, on the Effective Date, the property located at 203 Hemlock Drive, Arlington, Texas 76018 (the "Hemlock Property") shall be surrendered to the holder of the Allowed Class 9 Claim and the claim shall be deemed paid in full. Upon the Effective Date the automatic stay shall lift without further order of this Court to allow the Class 9 claimant, or its assigns or successors in interest, to take any and all steps necessary to exercise any and all rights it may have in the Hemlock Property.[19]

The 2012 Bankruptcy Case Confirmation Order contained the same language regarding the treatment of Seterus's claim.[20] Nothing in the 2012 Bankruptcy Case Chapter 11 Plan or Confirmation Order provided, or even suggested, that the secured claim against the Hemlock Property was void or disallowed because of language in the 2008 Bankruptcy Case Chapter 11

[16] Claim 35-1, Case No. 12-46959.

[17] *William Paul Burch's Amended Plan of Reorganization*, ECF No. 186, Case No. 12-46959.

[18] *Order Confirming Debtor's Plan of Reorganization*, ECF No. 188, Case No. 12-46959.

[19] 2012 Bankruptcy Case Chapter 11 Plan, at 15.

[20] 2012 Bankruptcy Case Confirmation Order, at 9.

Plan or because of events that took place after confirmation of the 2008 Bankruptcy Case Chapter 11 Plan.

On October 20, 2016, the Plaintiff filed a motion to enforce the 2012 Bankruptcy Case Chapter 11 Plan (the "***Second Motion to Enforce***"), alleging that lenders on various of the Plaintiff's properties were not complying with the plan.[21] With respect to the Hemlock Property, the Plaintiff alleged the following in the Second Motion to Enforce:

> D. HEMLOCK-Rushmore 7600345210 888-504-6700
>
> On the Amended Plan page 15, the Court approved release of the property back to the Secured Lender but the figures given by the Secured Lender's counsel included a large amount of insurance payments that were not required as the property was insured by the Debtor. Further, the counsel for the Secured Lender represented that after the Amended Plan was confirmed the Secured Lender would conduct an inspection of the property to place a true value on the property as-is. The Debtor requests that the property be inspected by a property inspector agreed to by both parties at the Secured Lender's expense and the property be returned to the Debtor for repair and sale at the value of the inspector. The Debtor also requests a no payment-sales period for six months following the entry on an order on this Motion.[22]

In the Court's November 22, 2016 order (the "***Order Enforcing 2012 Bankruptcy Case Chapter 11 Plan***") [23] granting (in part) the Second Motion to Enforce, the Court granted the following relief with respect to the Hemlock Property:

> [It is] ORDERED, ADJUDGED AND DECREED that regarding the property located at 203 Hemlock, Ft. Worth, Texas, the Debtor and the Secured Lender on such property shall work together to inspect the property to place a value on the property "as is", so that the Debtor can obtain a sale on the property for its

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[21] *Debtor's Second Motion to Enforce Plan*, ECF No. 217, Case No. 12-46959. The Plaintiff's first motion to enforce the 2012 Bankruptcy Case Chapter 11 Plan did not deal with the Hemlock Property. *See Debtor's Motion to Enforce Plan* (dealing with property at 1713 Enchanted, Lancaster, TX 75146), ECF No. 196, Case No. 12-46959.

[22] Second Motion to Enforce, at 5.

[23] *Order Granting Debtor's Second Motion to Enforce Plan*, ECF No. 232, Case No. 12-46959.

> value and that there be a no payment selling period for six months following the entry of this Order to allow the parties to effectuate the terms of this Order;[24]

Nothing in the Second Motion to Enforce or in the Order Enforcing 2012 Bankruptcy Case Chapter 11 Plan provided, or even suggested, that the secured claim against the Hemlock Property was void or disallowed because of language in the 2008 Bankruptcy Case Chapter 11 Plan or because of events that took place after confirmation of the 2008 Bankruptcy Case Chapter 11 Plan.

The 2012 Bankruptcy Case was converted to Chapter 7 on January 30, 2018 based in part on the Plaintiff's material defaults under the 2012 Bankruptcy Case Chapter 11 Plan.[25]

On May 23, 2018, the Chapter 7 trustee filed a notice of intent to abandon the Chapter 7 bankruptcy estate's interest in the Hemlock Property, alleging that offers received for its sale were insufficient to pay the outstanding principal balance of the first lien "held on the Property by Rushmore Loan Management Services ('Rushmore') in the amount of $143,834.31."[26] The Plaintiff never filed a response to the abandonment notice to allege that the secured claim against the Hemlock Property was void or disallowed because of language in the 2008 Bankruptcy Case Chapter 11 Plan or because of events that took place after confirmation of the 2008 Bankruptcy Case Chapter 11 Plan. On July 12, 2018, the Court entered an order authorizing the Chapter 7 trustee to abandon the Hemlock Property.[27]

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[24] Order Enforcing 2012 Bankruptcy Case Chapter 11 Plan, at 2.

[25] *Order Granting Specialized Loan Servicing LLC's Motion to Dismiss with Prejudice or to Convert to Chapter 7*, ECF No. 354, Case No. 12-46959; *see also* ECF No. 390, Transcript of 1/25/18 hearing on conversion, at 46-51.

[26] *Notice of Trustee's Intent to Abandon Property (Hemlock)*, at 2, ECF No. 466, Case No. 12-46959.

[27] *Order Authorizing the Trustee to Abandon Property (Hemlock)*, ECF No. 514, Case No. 12-46959.

B. The Plaintiff's claims against the Defendants and the Moving Defendants' related motions to dismiss

On November 19, 2018, the Plaintiff filed his *Plaintiff's Original Petition, Request for Jury Trial and Request for Disclosure* ("***Original Petition***")[28] in the 96th Judicial District Court of Tarrant County, Texas under Cause No. 096-304437-18 (the "***State Court Lawsuit***"). In the Original Petition, the Plaintiff asserted claims against the Defendants for breach of contract, fraud, violations of the Texas Civil Practice and Remedies Code, violations of the Deceptive Trade Practices Act, and violations of the 2008 Bankruptcy Case Chapter 11 Plan and Order Enforcing 2012 Bankruptcy Case Chapter 11 Plan, all stemming from the servicing of the mortgage encumbering the Hemlock Property. The Plaintiff also sought injunctive relief, actual and punitive damages, and attorneys' fees.

On December 21 and 28, 2018, defendants Freedom Mortgage Corporation ("***Freedom***") and Rushmore Loan Management Services, LLC ("***Rushmore***"), respectively, filed their original answers.[29] On December 28, 2018, Freedom then removed the lawsuit to the United States District Court for the Northern District of Texas, Fort Worth Division, based on diversity jurisdiction under 28 U.S.C. § 1332,[30] thereby initiating District Court Civil Action No. 4:18-cv-01015-O (the "***Civil Action***").

[28] Found at Adv. ECF No. 2, at 16/90.

[29] Found at Adv. ECF No. 2, at 78/90 (Freedom), 80/90 (Rushmore).

[30] Found at Adv. ECF No. 2-6.

On January 4, 2019, Chase filed its *Defendant JPMorgan Chase Bank, N.A.'s Motion to Dismiss Plaintiff's Complaint* (the "***First Chase Motion to Dismiss***"),[31] asking the District Court to dismiss the Original Petition pursuant to Federal Civil Rules 8, 9, and 12(b)(6).

On January 9, 2019, the District Court in the Civil Action, by and through United States Magistrate Judge Hal R. Ray, Jr., entered its *Order to Replead*,[32] requiring the Plaintiff to file an amended complaint in compliance with Federal Civil Rule 8(a).

On January 15, 2019, the Plaintiff filed his Amended Complaint.

On January 16, 2019, the District Court in the Civil Action, by and through United States Magistrate Judge Hal R. Ray, Jr., entered its *Order Requiring Plaintiff's Response*,[33] ordering that the Plaintiff file any response to the First Chase Motion to Dismiss before January 25, 2019. The Plaintiff filed his response on January 22, 2019.[34]

On January 22, 2019, Rushmore filed its answer to the Amended Complaint.[35]

On January 25, 2019, LC filed its LC Motion to Dismiss, asking the Court to dismiss the Amended Complaint pursuant to Federal Civil Rule 12(b)(6).

On January 29, 2019, Chase filed its Chase Motion to Dismiss, and Fannie Mae and Seterus filed their Fannie Mae/Seterus Motion to Dismiss, each asking the Court to dismiss the Amended Complaint pursuant to Federal Civil Rule 12(b)(6).

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[31] Found at Adv. ECF No. 2-9; *see also Brief in Support*, found at Adv. ECF No. 3, and *Appendix*, found at Adv. ECF No. 3-1.

[32] Found at Adv. ECF No. 2-8 (Civil Action Doc. No. 9).

[33] Found at Adv. ECF No. 3-9.

[34] *Plaintiff's Response to JPMorgan Chase Bank, N.A.'s Motion to Dismiss Plaintiff's Complaint*, found at Adv. ECF No. 4 (Civil Action Doc. No. 21). The filing of the Plaintiff's Amended Complaint rendered moot the parties' pleadings related to the Original Petition.

[35] *Defendant Rushmore Loan Management LLC's Answer to Plaintiff's Amended Complaint*, Found at Adv. ECF No. 3-10.

Also on January 29, 2019, Freedom filed its answer to the Amended Complaint.[36]

Plaintiff filed responses and replies to the Defendants' various filings.[37]

On May 21, 2019, Freedom filed a motion[38] to refer the Civil Action to this Court based on the Plaintiff's pending Chapter 7 bankruptcy case.

On July 2, 2019, United States Magistrate Judge Hal R. Ray, Jr. recommended to the District Court that the Civil Action be referred to this Court based on the Plaintiff's Chapter 7 bankruptcy.[39] On July 10, 2019, based on that recommendation, the District Court referred the Civil Action to this Court.[40]

The Court has reviewed the parties' filings, and the matter is now ripe for decision.

III. ANALYSIS

Under the applicable standard for Federal Civil Rule 12(b)(6) motions, the Court must review the Complaint by "accepting all well-pleaded facts as true and viewing those facts in the light most favorable to the plaintiff."[41] Viewing the facts in the light most favorable to the Plaintiff, the Court must dismiss the Amended Complaint if it fails "to state a claim to relief that

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[36] *Defendant Freedom Mortgage Corporation's Answer and Affirmative Defenses to Plaintiff's Amended Complaint*, Adv. ECF No. 5-2 (Civil Action Doc. No. 33).

[37] *Plaintiff's Response to the Loan Care Motion to Dismiss*, Adv. ECF No. 5-5 (Civil Action Doc. No. 36); *Plaintiff's Response to the JP Morgan Chase N.A. Reply Brief to Motion to Dismiss*, Adv. ECF No. 5-6 (Civil Action Doc. No. 37); *Plaintiff's Response to the Federal National Management Association and Seterus, Inc. Motion to Dismiss*, Adv. ECF No. 5-7 (Civil Action Doc. No. 38); *Plaintiff's Response to the JP Morgan Chase N.A. Reply Brief to Motion to Dismiss*, Adv. ECF No. 6-5 (Civil Action Doc. No. 46).

[38] *Defendant Freedom Mortgage Corporation's Motion to Invoke the Bankruptcy Reference*, Adv. ECF No. 6-2 (Civil Action Doc. No. 43).

[39] *Findings, Conclusions, and Recommendation of the United States Magistrate Judge*, Adv. ECF No. 6-4 (Civil Action Doc. No. 45).

[40] *Order Accepting Findings, Conclusions, and Recommendation of the United States Magistrate Judge*, Adv. ECF No. 6-6 (Civil Action Doc. No. 47).

[41] *Stokes v. Gann*, 498 F. 3d 483, 484 (5th Cir. 2007).

is plausible on its face."[42] Applying this standard, the Court will review each count in the Amended Complaint to determine whether any count states a plausible claim for relief.

A. Preliminary observations and conclusions: Plaintiff's erroneous bankruptcy-related arguments

Before reaching the specific counts, the Court first will address allegations in the Amended Complaint that infect the entire document with the Plaintiff's erroneous notions of an invalid or void note and deed of trust on the Hemlock Property. Paragraph 12.A of the Amended Complaint first quotes Section 5.8 of the 2008 Bankruptcy Case Chapter 11 Plan (providing for payment of the New Hemlock Note in 360 equal monthly payments). Paragraphs 12.B, 12.C, and 12.D then quote additional 2008 Bankruptcy Case Chapter 11 Plan provisions and provide the Plaintiff's commentary on the meaning of the provisions:

> B. Page 18, 12.3 All property of the Reorganized Debtors is free and clear of all Claims and interest of Creditors and Equity Interest Holders, except as to claims, secured claims or secured debentures and interests specifically granted in this Plan (THIS RESTATES THE REMOVAL OF THE EXISTING MORTGAGE NOTE FROM ALL THE PROPERTIES)
>
> C. Page 18, 13.4 Any distribution pursuant to this Plan which remains unclaimed for a period of six (6) months from the due date of such distribution is forfeited. (This means that if the new Mortgage Note is not written within six months then there will be no Mortgage Note on the property
>
> D. 14.1 [Until this case is closed, the Court retains jurisdiction of the following matters only:] To direct any necessary party to execute or deliver or to join in the execution in the execution or delivery of any instrument required to affect a Transfer of property dealt with by the Plan and to perform any other act, including the satisfaction of any lien, that is necessary for the consummation of this plan. (THE OLD NOTE'S ARE INVALIDE, IF THERE IS NO REPLACEMENT NOTE THEN THE PROPERTY GOES TO THE DEBTOR. THESE CHANGES AND AGREEMENTS WERE MADE BY THE MORTGAGE COMPANIES AND ACCEPTED BY ALL CREDITORS. THESE WERE NOT IMPOSED ON

[42] *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007).

THE PROPERTY BY THE COURT WITHOUT THE CONSENT OF THE MORTGAGE COMPANIES)

The Plaintiff's interpretation of the 2008 Bankruptcy Case Chapter 11 Plan is mistaken, and equally important, his arguments are foreclosed by the 2012 Bankruptcy Case Chapter 11 Plan and Confirmation Order.

Plaintiff's erroneous interpretation of 2008 Bankruptcy Case Chapter 11 Plan. First, the plan provisions do not support the Plaintiff's allegation that there will be no claim or lien on the Hemlock Property if new loan documents are not signed within six months. It is true that section 5.8 of the plan states that "the Debtors will enter into a New Hemlock Note," but the plan does not require that separate loan documents be drawn up. Instead, the 2012 Bankruptcy Case Chapter 11 Plan provides that "all Claims and Debts will receive the treatment afforded in Articles of this Plan,"[43] and with respect to the "Allowed Secured Claims of Chase," the plan specifies the interest rate on the debt, the number of monthly payments (360), and the monthly payment amount ($469.65).[44] The plan also contains notice and cure provisions dealing with payment defaults by the Plaintiff under the plan.[45] Moreover, the letter the Plaintiff alleges he sent with each Hemlock Property payment starting in January 2010 (a sample of which is attached to the Amended Complaint as Exhibit D) suggests that the Plaintiff likewise believed the payment terms were addressed in the 2008 Bankruptcy Case Chapter 11 Plan.

Notwithstanding the plan provisions that dealt with payment terms and defaults, the Plaintiff cites section 13.4 of the 2008 Bankruptcy Case Chapter 11 Plan as evidence that the claim

[43] 2008 Bankruptcy Case Chapter 11 Plan § 2.1.

[44] *Id.* § 5.8.

[45] *See id.* §§ 9.2, 9.3.

and lien on the Hemlock Property are somehow voided if new loan documents are not drafted within six months. The Plaintiff completely misconstrues this plan provision, which provides for the forfeiture of distributions that are unclaimed for six months. This is a common provision in Chapter 11 plans and deals with the situation where a debtor mails a distribution check to a creditor on account of an allowed claim, and the creditor does not negotiate the check for six months. In that scenario, the distribution is forfeited back to the debtor. Section 13.4 has nothing at all to do with voiding a creditor's entire secured claim and lien.

The Plaintiff finally cites section 14.1 of the plan, which is simply a retention-of-jurisdiction provision and has nothing to do with voiding a creditor's claim and lien.

In short, there is nothing in the 2008 Bankruptcy Case Chapter 11 Plan that provides for the voiding or disallowance of the claim and lien related to the Hemlock Property.

The Plaintiff's arguments are foreclosed by the 2012 Bankruptcy Case Chapter 11 Plan and Confirmation Order. In the Amended Complaint, the Plaintiff alleges various claims based on actions or inactions that occurred after confirmation of the 2008 Bankruptcy Case Chapter 11 Plan. Even if such claims had merit (and as explained above, they do not), no such claims were preserved in the 2012 Bankruptcy Case Chapter 11 Plan, so the Plaintiff cannot raise them now.[46] Moreover, the 2012 Bankruptcy Case Chapter 11 Plan and Confirmation Order allowed and provided for treatment of the *very same secured claim* the Plaintiff alleges was voided six months after confirmation of the 2008 Bankruptcy Case Chapter 11 Plan.

[46] 11 U.S.C. § 1123(b)(3)(B) (providing for the "retention and enforcement" of claims in a plan); *see also In re United Operating, LLC*, 540 F.3d 351, 355-56 (5th Cir. 2008) (debtor lacks standing to pursue claims that are not specifically and unequivocally preserved in confirmed Chapter 11 plan).

With these observations and conclusions in mind, the Court now turns to the specific counts in the Amended Complaint.

B. Count 1: Statutory Fraud

The Plaintiff's "Statutory Fraud" count appears to combine alleged statutory violations of the Bankruptcy Code and sections 12.002 and 12.003 of the Texas Civil Practice and Remedies Code, in each case based on alleged actions concerning the "invalid" note and mortgage on the Hemlock Property.

First, as explained above, nothing in the Plaintiff's bankruptcy cases invalided the debt or lien associated with the Hemlock Property, so the Plaintiff's arguments about violations of the Bankruptcy Code stemming from the allegedly invalid note and mortgage have no merit.

Second, to state a claim under Texas's fraudulent lien statute, a plaintiff must plead facts showing that the defendant "(1) made, presented, or used a document with knowledge that it was a fraudulent lien or claim against real or personal property or an interest in real or personal property, (2) intended that the document be given legal effect, and (3) intended to cause the plaintiff physical injury, financial injury, or mental anguish."[47] The Amended Complaint is devoid of allegations that would show any of the Defendants (1) made, presented, or used a document with knowledge that it was a fraudulent lien or claim against the Hemlock Property or an interest in the Hemlock Property, (2) intended that the document be given legal effect, or (3) intended to cause the Plaintiff physical injury, financial injury, or mental anguish.

Finally, although there is not a separate count for common-law fraud, paragraph 22 of the Amended Complaint (found within the Count 1—Statutory fraud section) contains a reference to

[47] *Ferguson v. Bank of New York Mellon Corp.*, 802 F.3d 777, 783 (5th Cir. 2015) (citing *Henning v. OneWest Bank FSB*, 405 S.W.3d 950, 964 (Tex. App.—Dallas 2013, no pet.)).

common-law fraud. To the extent the Plaintiff is asserting such a claim, it also fails. The elements of common-law fraud are (1) the defendant made a material representation to the plaintiff; (2) the representation was false; (3) the defendant knew the representation was false or made the misrepresentation recklessly, without knowledge of the truth; (4) the defendant intended for the plaintiff to act on the misrepresentation; (5) the plaintiff acted on the misrepresentation; and (6) the plaintiff incurred damages.[48] Any argument about fraud stemming from the allegedly invalid note and mortgage have no merit, as explained above. Moreover, the Amended Complaint is devoid of allegations that would show any of the Defendants took any action, or failed to take any action, that would constitute common-law fraud.

Count 1 of the Amended Complaint fails to state a plausible claim for relief against any Moving Defendant.

C. Count 2: Deceptive Trade Practices

The Plaintiff's Deceptive Trade Practices Act ("DTPA") count alleges violations of the DTPA based on actions and inactions stemming from the allegedly invalid mortgage note and lien on the Hemlock Property. For the same reasons described above, the secured claim with respect to the Hemlock Property suffers no such invalidity, so the Plaintiff's DTPA claim fails.

The Plaintiff's DTPA claim also fails because the Plaintiff has failed to allege that he is a consumer who sought or acquired, by purchase or lease, goods or services from a Defendant.[49] Mortgagors who complain about the servicing or administration of a mortgage loan are not

[48] *In re First Merit Bank, N.A.*, 52 S.W.3d 749, 758 (Tex. 2001).

[49] To prevail on a DTPA claim, a plaintiff must establish: (1) he is a consumer who sought or acquired, by purchase or lease, goods or services from a defendant; (2) the defendant can be sued under the DTPA; (3) the defendant committed an act in violation of the DTPA; and (4) the act was a producing cause of the plaintiff's damages. *See* Tex. Bus. & Com. Code § 17.41-.63; *Amstadt v. U.S. Brass Corp.*, 919 S.W.2d 644, 649 (Tex. 1996).

consumers under the DTPA.[50] Because the Plaintiff's DTPA claim is premised entirely on post-purchase servicing activities, the Plaintiff does not qualify as a consumer under the DTPA.

Count 2 of the Amended Complaint fails to state a plausible claim for relief against any Moving Defendant.

D. Count 3: Fraudulent Lien

This Count alleges that the Defendants violated article 16, section 50(a)(6) of the Texas Constitution and sections 51.902 and 51.903 of the Texas Government Code because of the same alleged infirmities of the note and deed of trust on the Hemlock Property. Those allegations likewise fail here. In addition, the Plaintiff fails to allege any fact that would show the Hemlock Loan Documents are governed by article 16, section 50(a)(6) of the Texas Constitution, which authorizes securing an extension of credit against a homeowner's homestead and sets requirements applicable to a Texas home equity loan. The Plaintiff alleges no fact that would show the Hemlock Property is his homestead[51] or that the deed of trust secures an extension of credit governed by section 50(a)(6). Therefore, the Amended Complaint is devoid of allegations that would show any of the Defendants violated the Texas Constitution or the Texas Government Code.

Count 3 of the Amended Complaint fails to state a plausible claim for relief against any Moving Defendant.

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[50] *Payne v. Wells Fargo Bank Nat. Ass'n*, 637 Fed. App'x 833, 837 (5th Cir. 2016); *Nichamoff v. CitiMortgage, Inc.*, No. H-12-1039, 2012 WL 4388344, at *3-4 (S.D. Tex. Sept. 25, 2012); *Visconti v. Bank of America*, No. 4:10-CV-532, 2012 WL 3779083, at *4-5 (E.D. Tex. Aug. 31, 2012); *Gatling v. CitiMortgage, Inc.*, No. H-11-2879, 2012 WL 3756581, at *13 (S.D. Tex. Aug. 28, 2012) (finding that plaintiff was not a consumer because her "claim is based on acts occurring years after the financing transaction"); *Woods v. Bank of America*, No. 3:11-CV-1116-B, 2012 WL 1344343, at *7 (N.D. Tex. Apr. 17, 2012) ("where . . . the servicing or administration of the loan is merely incidental to a plaintiff's prior objective to purchase a residence, such events do not bestow consumer status upon the plaintiff for purposes of the DTPA").

[51] *Schedule C, The Property You Claim as Exempt*, ECF No. 492, at 16/41 (claiming as an exempt homestead a different property located at 5947 Waterford Drive), Case No. 12-46959.

IV. CONCLUSION

For the reasons described above, the Amended Complaint fails to state a claim upon which relief can be granted. Therefore, the Court **ORDERS** as follows:

1. The Motions to Dismiss [Adv. ECF Nos. 4-1, 4-5, 4-9] are **GRANTED**.
2. Because this Order disposes of fewer than all claims against all parties, this Order is not a final order and is not subject to an immediate appeal.
3. Within twenty-four days after entry of this Order, the Plaintiff shall file a supplemental brief explaining why the Court should not, *sua sponte*, dismiss the Amended Complaint as to Freedom and Rushmore.[52]
4. The Court shall conduct a status conference in this Adversary Proceeding on ***March 26, 2020 at 9:00 a.m.*** The Plaintiff, Freedom, and Rushmore shall attend the status conference.

End of Order # #

[52] *Hart v. Bank of Am., N.A.*, No. 3:14-CV-1609-D, 2014 WL 2777526, at *4 (N.D. Tex. June 19, 2014) ("A district court has the authority to consider the sufficiency of a petition and dismiss an action *sua sponte*, as long as the procedure it employs is fair.").

APPENDIX E

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

WILLIAM PAUL BURCH, *et al.*,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	**Civil Action No. 4:18-cv-01015-O-BP**
	§	
FREEDOM MORTGAGE CORPORATION, *et al.*,	§	
	§	
	§	
Defendants.	§	

ORDER

Before the Court is *pro se* Plaintiff's Motion [and] Response to Order Removing Case to Bankruptcy Court, filed August 4, 2019. *See* ECF No. 49. In his motion, Plaintiff asks the Court to reconsider its July 9, 2019 Order referring this matter to United States Bankruptcy Judge Mark X. Mullin. In light of the relief sought, the Court construes his filing as a motion for reconsideration. For the reasons that follow, Plaintiff's Motion for Reconsideration is **DENIED**.

I.

On July 2, 2019, United States Magistrate Judge Hal R. Ray, Jr., issued Findings, Conclusions, and Recommendation (ECF No. 45), in which recommended that the Court grant Defendants' Motion to Invoke the Bankruptcy Reference. On July 9, 2019, the Court, after conducting a *de novo* review of all relevant matters of record in this case, including the magistrate judge's Findings and Conclusions, Plaintiff's Objections thereto (ECF No. 46), the record, and applicable law, in accordance with 28 U.S.C. § 636(b)(1), determined that the Findings and Conclusions of the Magistrate Judge were correct, accepted them as the Findings and Conclusions of the Court, granted the Motion to Invoke the Bankruptcy Reference, withdrew the case from the

magistrate judge, and referred it to United States Bankruptcy Judge Mark X. Mullin pursuant to this Court's Miscellaneous Order No. 33.

II.

A court may revise an interlocutory order pursuant to Federal Rule of Civil Procedure 54(b). "Although the precise standard for evaluating a motion to reconsider under Rule 54(b) is unclear, whether to grant such a motion rests within the broad discretion of the court." *Dos Santos v. Bell Helicopter Textron, Inc. Dist.*, 651 F. Supp. 2d 550, 553 (N.D. Tex. 2009) (Means, J.); *see also Calpetco 1981 v. Marshall Exploration, Inc.*, 989 F.2d 1408, 1414-15 (5th Cir. 1993). Such a motion requires the court to determine whether reconsideration is "necessary under the relevant circumstances." *Brown v. Wichita Cnty., Tex.*, 2011 WL 1562567, at *2 (N.D. Tex. Apr. 26, 2011) (O'Connor, J.) (internal quotation marks omitted).

"Even though the standard for evaluating a motion to reconsider under Rule 54(b) would appear to be less exacting than that imposed by Rules 59 and 60 . . . [,] considerations similar to those under Rules 59 and 60 inform the Court's analysis." *Dallas Cty., Tex. v. MERSCORP, Inc.*, 2 F. Supp. 3d 938, 950 (N.D. Tex. 2014), *aff'd sub nom. Harris Cty. Texas v. MERSCORP Inc.*, 791 F.3d 545 (5th Cir. 2015) (internal punctuation and citations omitted). "It is clear under Rules 59 and 60 that '[m]otions for reconsideration have a narrow purpose and are only appropriate to allow a party to correct a manifest error of law or fact or to present newly discovered evidence.'" *Id.* (quoting *Arrieta v. Yellow Transportation, Inc.*, 2009 WL 129731, at *1 (N.D.Tex. Jan. 20, 2009) (Fitzwater, C.J.)) (citation and internal quotation marks omitted); *see also Templet v. HydroChem Inc.*, 367 F.3d 473, 478–79 (5th Cir.2 004) (citation omitted) (Under Rule 59(e), relief may be granted "to correct manifest errors of law or fact or to present newly discovered evidence

[ ]" and Rule 59(e) "is not the proper vehicle for rehashing evidence, legal theories, or arguments that could have been offered or raised before the entry of judgment.").

III.

Plaintiff does not address whether he seeks reconsideration under Federal Rule of Civil Procedure 59(e), which governs motions to alter or amend a final judgment, or Rule 54(b), which governs motions to reconsider interlocutory orders. Under either standard, the Court denies the motion. Plaintiff has not identified a manifest error of law or fact in the Court's ruling on Defendants' Motion to Invoke the Bankruptcy Reference, nor has he presented newly discovered evidence. Rather, he accuses Defendants of forum shopping and contends that maintaining the lawsuit in this Court, rather than transferring it to the bankruptcy court, will save him and the Court "time and money," which he states will be "a win-win for everyone." Pl.'s Mot. 4, ECF No. 49. Finally, Plaintiff rehashes the procedural history of the case. Absent a manifest error of law, newly discovered evidence, or some other reason that reconsideration is warranted under the circumstances, the Court will deny the motion.

IV.

For these reasons, the Court **DENIES** Plaintiff's Motion [and] Response to Order Removing Case to Bankruptcy Court, which the Court has construed as Plaintiff's Motion for Reconsideration (ECF No. 49).

SO ORDERED on this **29th day** of **August, 2019**.

Reed O'Connor
UNITED STATES DISTRICT JUDGE

APPENDIX F

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

WILLIAM PAUL BURCH, *et al.*,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	**Civil Action No. 4:18-cv-01015-O-BP**
	§	
FREEDOM MORTGAGE CORPORATION, *et al.*,	§	
	§	
Defendants.	§	

ORDER ACCEPTING FINDINGS, CONCLUSIONS, AND RECOMMENDATION OF THE UNITED STATES MAGISTRATE JUDGE

After conducting a de novo review of all relevant matters of record in this case, including the Findings, Conclusions, and Recommendation of the United States Magistrate Judge (ECF No. 45), filed July 2, 2019, and Plaintiff's Objections thereto (ECF No. 46), filed July 9, 2019, in accordance with 28 U.S.C. § 636(b)(1), the Court determines that the Findings and Conclusions of the Magistrate Judge are correct, and they are accepted as the Findings and Conclusions of the Court.[1]

Accordingly, it is **ORDERED** that the Motion to Invoke the Bankruptcy Reference (ECF No. 43) is **GRANTED**. The case is **WITHDRAWN** from United States Magistrate Judge Hal R. Ray, Jr. and **REFERRED** to United States Bankruptcy Judge Mark X. Mullin pursuant to this Court's Miscellaneous Order No. 33.

[1] Plaintiff has filed objections to the Magistrate Judge's Findings, Conclusions, and Recommendation, which the Court has liberally construed in light of Plaintiff's pro se status. Following a de novo review, the Court **overrules** the Objections, as none of the Objections alters the Magistrate Judge's finding and conclusion that this case is a core proceeding arising under Title 11 or arising in a case under Title 11, or, alternatively, "relates to" a bankruptcy proceeding, and, therefore, should be referred to United States Bankruptcy Judge Mark X. Mullin pursuant to this Court's Miscellaneous Order No. 33. *See* 28 U.S.C. §§ 157(a), 157(c).

SO ORDERED on this **10th day** of **July, 2019**.

APPENDIX G

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

WILLIAM PAUL BURCH, *et al.*,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	**Civil Action No. 4:18-cv-01015-O-BP**
	§	
FREEDOM MORTGAGE CORPORATION, *et al.*,	§	
	§	
	§	
Defendants.	§	

FINDINGS, CONCLUSIONS, AND RECOMMENDATION OF THE UNITED STATES MAGISTRATE JUDGE

This foreclosure-related case was automatically referred to the undersigned for pretrial management pursuant to Special Order 3 on December 31, 2018. (ECF No. 5). Before the Court is Freedom Mortgage Corporation's ("Freedom") Motion to Invoke the Bankruptcy Reference (ECF No. 43) filed on May 21, 2019. By Order dated May 22, 2019 (ECF No. 44), the Court ordered Plaintiff William Paul Burch ("Burch") to file any response to the Motion on or before June 3, 2019. Burch has not done so.

Because the case constitutes a core proceeding arising under title 11 or arising in a case under title 11, it should be referred to the appropriate bankruptcy judge in this district. Accordingly, the undersigned **RECOMMENDS** that United States District Judge Reed O'Connor withdraw the case from the undersigned and refer it to United States Bankruptcy Judge Mark X. Mullin pursuant to this Court's Miscellaneous Order No. 33.

I. BACKGROUND

In 2006, Burch obtained a mortgage loan from Freedom on a property located at 203 Hemlock in Arlington, Texas ("the Hemlock Property"). (ECF No. 17 at 2). On December 1, 2008, he filed for Chapter 11 bankruptcy to prevent foreclosure on multiple properties that he owned, including the Hemlock Property. (*Id.*). *See also* Cause No. 08-45761-rfn11. Burch alleges that at

the time of his 2008 bankruptcy, "Chase Bank or Chase Properties (now JPMorgan Chase Bank[,] N.A.)" ("Chase") was the mortgagee on the loan. (*Id.* at 3). On December 9, 2009, the bankruptcy court approved a plan that allegedly voided the terms of the original mortgage loan. (*Id.*; *see also* ECF No. 43 at 1-2). The plan also set out new terms for the mortgage loan, which are disputed by the parties. (ECF No. 17 at 3). Also, in dispute is whether Chase or one of the other Defendants still has a valid lien on the Hemlock Property. (*Id.* at 4). The 2008 bankruptcy case was closed on September 11, 2012. (ECF No. 43 at 2).

On December 28, 2012, Burch filed for Chapter 13 bankruptcy. (*Id.*). *See* Cause No. 12-46959-mxm7. The case converted to Chapter 11 in 2013. (*Id.*). *See* Cause No. 12-46959-mxm7, ECF No. 100. Freedom, the mortgage servicer, filed a proof of claim concerning the Hemlock Property. (ECF No. 43 at 2). On February 1, 2016, the bankruptcy court entered an order confirming Burch's plan of reorganization ("the Plan"). (*Id.*). The order states as follows:

> regarding the Class 9 Allowed Secured Claim of Seterus, Inc., as the Authorized Subservicer for . . . ('Fannie Mae'), Creditor c/o Seterus, Inc[.], on the Effective Date . . . (the 'Hemlock Property') shall be surrendered to the holder of the Allowed Class 9 Claim and the claim shall be deemed paid in full. Upon the Effective Date[,] the automatic stay shall lift without further order of this Court to allow the Class 9 claimant, or its assigns or successors in interest, to take . . . all steps necessary to exercise any and all rights it may have in the Hemlock Property . . . .

(ECF No. 43-2 at 10).

The order further provided "that the [bankruptcy court] shall retain jurisdiction to the maximum extent possible to enforce the Plan, interpret the Plan, and provide for all proceedings and matters for which jurisdiction is preserved by the Plan, and otherwise . . . ." (*Id.*).

The case then converted to Chapter 7 on January 30, 2018. *See* Cause No. 12-46959-mxm7, ECF No. 354. In August 2018, the bankruptcy court entered an order allowing the trustee to abandon the Hemlock Property based on the trustee's assertion that offers received for its sale were insufficient to pay the outstanding principal balance of the mortgage and closing costs. *Id.* at ECF

No. 466. The bankruptcy court's order also stated that it retained jurisdiction to hear and determine all matters "arising from or related to the implementation, interpretation and/or enforcement of this Order." *Id.* at ECF No. 514. Burch's bankruptcy case, originally filed in 2012, is still open. (ECF No. 43 at 3). Freedom now moves the Court to refer the case to Judge Mullin, presiding judge in Cause No. 12-46959-mxm7. (*Id.* at 6). Freedom has informed the Court that its Co-Defendants do not oppose the Motion. (*Id.* at 9).

II. LEGAL STANDARD

Under 28 U.S.C. § 157(a), "each district court may provide that proceedings arising under title 11 as core proceedings or arising in or related to a case under title 11, shall be referred to the bankruptcy judges for the district." The Fifth Circuit has held that a proceeding is "core" if "it invokes a substantive right provided by title 11 or if it is a proceeding that, by its nature, could arise only in the context of a bankruptcy case." *Wood v. Wood (In re Wood)*, 825 F.2d 90, 97 (5th Cir. 1987). The district court may also refer a case to the bankruptcy judge if the case is related to a bankruptcy case. *In re Wood*, 825 F.2d at 93. A case is "related" to a bankruptcy proceeding if "the outcome of [the non-bankruptcy] proceeding could conceivably have any effect on the estate being administered in bankruptcy." *Id.* (quoting *Pacor, Inc. v. Higgins*, 743 F.2d 984, 994 (3rd Cir. 1984)).

A court should refer a case to the bankruptcy court if two conditions are met: (1) the court normally would refer the case to the bankruptcy court under Miscellaneous Order No. 33 for the Northern District of Texas; and (2) the court would be unlikely to withdraw the reference under 28 U.S.C. § 157(d). *Texas United Hous. Program, Inc. v. Wolverine Mortg. Partner Ret.*, No. 3:17-CV-977-L, 2017 WL 3822754, at *3 (N.D. Tex. July 18, 2017). A court may permissively withdraw the reference from the bankruptcy court for cause shown. 28. U.S.C. § 157(d). Withdrawal to the district court is mandatory, however, if on a timely motion by a party the court

determines "resolution of the proceeding requires consideration of both title 11 and other laws of the United States regulating organizations or activities affecting interstate commerce." *Id.*

III. ANALYSIS

A. Burch's Case Normally would be Referred to the Bankruptcy Court.

Miscellaneous Order No. 33 provides that "any or all cases under Title 11 and any or all proceedings arising under Title 11 or arising in or related to a case under Title 11 . . . are referred to the Bankruptcy Judges of this district for consideration and resolution consistent with law." Miscellaneous Order No. 33, Order of Reference of Bankruptcy Cases and Proceedings *Nunc Pro Tunc* (N.D. Tex. Aug. 3, 1984). "[I]t is necessary only to determine whether a matter is at least 'related to' the bankruptcy" proceeding to determine if it should be normally referred. *In re U.S. Brass Corp.*, 301 F.3d 296, 303–04 (5th Cir. 2002) (quoting *In re Wood*, 825 F.2d at 93).

In his Amended Complaint (ECF No. 17), Burch challenges the validity of Chase's or one of the other Defendant's lien on the Hemlock Property based upon what he refers to as an "old, voided Mortgage Note." (*Id.* at 4, 7-8). Specifically, Burch alleges that his 2009 bankruptcy plan included the following clause:

> . . . Chase Bank . . . is the mortgage holder on the following properties at 203 Hemlock, Arlington, Texas . . . . Based upon the Debtors' current value of the Hemlock property, the Debtors will enter a New Hemlock Note in the original principal amount of $84,950 ("New Hemlock Note"). The New Hemlock Note shall bear interest at the rate of 5.25% per annum. The Debtors shall pay the New Hemlock Note in 360 equal monthly payments of $469.65 commencing on the Effective Date.

(*Id.* at 3-4). He alleges further that:

> (THE OLD NOTE'S ARE INVALIDE [sic], IF THERE IS NO REPLACEMENT NOTE THEN THE PROPERTY GOES TO THE DEBTOR. THESE CHANGES AND AGREEMENTS WERE MADE BY THE MORTGAGE COMPANIES AND ACCEPTED BY ALL CREDITORS. THESE WERE NOT IMPOSED ON THE PROPERTY BY THE COURT WITHOUT THE CONSENT OF THE MORTGAGE COMPANIES.).

(*Id.*).

Burch claims that Chase and the other Defendants in privity with it should not have attempted to collect payments under the "old, invalid mortgage note" and in doing so, violated the terms of the "New Hemlock Note," the 2009 bankruptcy plan, statutory law, and the Texas Deceptive Trade Practices Act. (*Id.* at 3-4, 7-10). Burch aserts that neither Chase nor the other Defendants have a valid deed of trust or other lien on the Hemlock Property, and that no mortgage payments are due. (*Id.* at 11).

Freedom argues that Burch's challenge to the validity of the lien on the Hemlock Property constitutes a "core proceeding" pursuant to 28 U.S.C. § 157(a). (ECF No. 43 at 5). Accordingly, Freedom moves that the case be referred to Judge Mullin, presiding judge in Cause No. 12-46959-mxm7. (*Id.* at 6).

Because Burch is a *pro se* litigant, the Court must liberally construe his pleadings. *Johnson v. Atkins*, 999 F.2d 99, 100 (5th Cir. 1993). The undersigned finds that Burch's suit challenges the validity of one or more of the Defendant's liens on the Hemlock Property. Such challenge constitutes a "core proceeding" "arising in or related to a case under Title 11" because it requires a "determination[] of the validity, extent, or priority of liens." 28 U.S.C. § 157(b)(2)(K). The case complies with Miscellaneous Order No. 33 because it is "at least 'related to' the bankruptcy proceeding" pending before Judge Mullin. Therefore, the case should be "referred to [Judge Mullin] of this district for consideration and resolution consistent with law." Misc. Order No. 33.

B. The District Court is Unlikely to Withdraw the Reference.

1. Mandatory Withdrawal is Inapplicable.

A "district court shall, on timely motion of a party, so withdraw a proceeding if the court determines that resolution of the proceeding requires consideration of both title 11 and other laws of the United States regulating organizations or activities affecting interstate commerce." 28 U.S.C. § 157(d). Assuming either party timely files a motion to withdraw the reference, the

question then turns on whether Burch's claims concern "both title 11 and other laws of the United States regulating organizations or activities affecting interstate commerce." *Id.* Consistent with the majority view in the Fifth Circuit, "consideration" as used in 28 U.S.C. § 157(d) means "substantial and material consideration." *Texas United*, 2017 WL 3822754 at *7 (citing *Rodriguez v. Countrywide Home Loans, Inc.*, 421 B.R. 341, 347 (S.D. Tex. 2009) (collecting cases)). To determine whether consideration is "substantial and material," a "court must undertake analysis of significant open and unresolved issues regarding the non-title 11 law." *Id.* at 348.

Burch asserts additional claims in his Amended Complaint for statutory fraud, violations of the Texas Deceptive Trade Practices Act, and the creation of a fraudulent lien. (ECF No. 17 at 4-15). After reviewing Burch's Amended Complaint, the undersigned has not identified any unsettled questions of law presented by his claims. Indeed, Chase's Motion to Dismiss (ECF No. 10) and Motion to Dismiss Burch's Amended Complaint (ECF No. 26); Loan Care Service Center's Motion to Dismiss Burch's Amended Complaint (ECF No. 22); Fannie Mae's and Seterus, Inc.'s Motion to Dismiss Burch's Amended Complaint (ECF No. 30); Freedom's Motion (ECF No. 43); and associated briefing (ECF Nos. 21, 35-40, 42) indicate that the application of well-settled law should resolve Burch's claims. Accordingly, mandatory withdrawal is inapplicable.

2. Permissive Withdrawal is Inapplicable.

The court in *United States v. Miller* held that Miscellaneous Order No. 33 "does not preclude a district court from exercising its jurisdiction." No. CIV. A. 5:02-CV-0168-C, 2003 WL 23109906, at *4 (N.D. Tex. Dec. 22, 2003). As 28 U.S.C. § 157(d) provides, "[t]he district court may withdraw, in whole or in part, any case or proceeding referred . . . for cause shown." The Fifth Circuit has determined that the district court should not withdraw reference to the bankruptcy court of a core proceeding unless its withdrawal was based on a "sound, articulated foundation." *Holland*

Am. Ins. Co. v. Succession of Roy, 777 F.2d 992, 998 (5th Cir. 1985). In *Miller*, Judge Cummings summarized the factors mentioned by the Fifth Circuit in *Holland America* in determining whether the withdrawal is based on an adequate foundation as follows:

> (1) whether or not the proceedings were 'core' proceedings; (2) the effect of the withdrawal on judicial efficiency; (3) uniformity in bankruptcy administration; (4) reduction in forum shopping; (5) fostering the economical use of the debtors' and creditors' resources; (6) expediting of the bankruptcy process; and (7) whether or not there is a jury demand.

2003 WL 23109906 at *4.

Like the situation in *Miller*, an order confirming the bankruptcy plan in Burch's 2012 bankruptcy case was entered. Although Burch demanded a jury in the case, the remaining factors described in *Holland America* weigh in favor of referring this matter to the bankruptcy court. First, Burch's claims appear to constitute core proceedings. Core proceedings include, among others, "determinations of the validity, extent, or priority of liens." 28 U.S.C. § 157(b)(2)K). Burch's challenge to the validity of liens of one or more of the Defendants and the propriety of any potential foreclosure constitute "determinations of the validity, extent, or priority of liens." *Id.*

Second, none of the other *Holland America* factors weigh toward withdrawing the reference. Judicial efficiency is promoted because the bankruptcy court is in a better position to efficiently decide the case as Judge Mullin already confirmed a bankruptcy plan and Burch's assets are currently pending in his bankruptcy case. Further, consolidating Burch's claims with his 2012 bankruptcy case will streamline administration of both cases "by bringing all matters related to the debtor and his assets into a single forum." *See Eggers v. TVZ Records, LLC, et al.*, No. A-08-CA-668-SS, 2010 WL 11506652, at *2 (W.D. Tex. Jan. 22, 2010). Accordingly, neither party is likely to establish cause for permissive withdrawal.

Therefore, the case should be referred to the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, as a case related to *In re Burch*, No. 12-46959-mxm7 (Bankr. N.D. Tex.).

RECOMMENDATION

Although this Court has jurisdiction over bankruptcy cases, Burch's claims in the case should be heard in the bankruptcy court. The undersigned therefore **RECOMMENDS** that United States District Judge Reed O'Connor withdraw his reference of the case to the undersigned and refer it to the Honorable Mark X. Mullin, presiding judge in Cause No. 12-46959-mxm7, pending in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division.

A copy of this report and recommendation shall be served on all parties in the manner provided by law. Any party who objects to any part of this report and recommendation must file specific written objections within 14 days after being served with a copy. *See* 28 U.S.C. § 636(b)(1)(B) and Fed. R. Civ. P. 72(b)(1). In order to be specific, an objection must identify the specific finding or recommendation to which objection is made, state the basis for the objection, and specify the place in the magistrate judge's report and recommendation where the disputed determination is found. An objection that merely incorporates by reference or refers to the briefing before the magistrate judge is not specific. Failure to file specific written objections will bar the aggrieved party from appealing the factual findings and legal conclusions of the magistrate judge that are accepted or adopted by the district court, except upon grounds of plain error. *See Douglass v. United Services Auto. Ass'n*, 79 F.3d 1415, 1417 (5th Cir. 1996).

Signed **July 2, 2019**.

Hal R. Ray, Jr.
Hal R. Ray, Jr.
UNITED STATES MAGISTRATE JUDGE

APPENDIX H

The following constitutes the ruling of the court and has the force and effect therein described.

Signed December 9, 2009

United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE	§	
	§	
WILLIAM & JUANITA BURCH	§	CASE 08-45761-RFN-11
	§	
DEBTOR	§	

ORDER CONFIRMING DEBTOR'S THIRD AMENDED PLAN OF REORGANIZATION

CAME ON FOR CONSIDERATION by the Court at the confirmation hearing held on December 8, 2009, the Debtor's Third Amended Plan of Reorganization filed October 16, 2009 ("Plan") as described by that certain Amended Disclosure Statement dated May 27, 2009, filed by William & Juanita Burch, Debtors in the above-styled and numbered case. The Plan having been transmitted to all creditors, equity interest holders and parties-in-interest and the Court having reviewed the Plan and the Court having been informed that no Objections to Confirmation have been

filed which have not been resolved by the modification announced in open Court on December 8, 2009,, and after hearing the evidence presented, testimony of witnesses, and argument of counsel, concludes as follows:

1. The majority of all creditors in all classes and the equity holders voting have voted to accept the Plan.

2. The Plan complies with the applicable provisions of Title 11, and the Debtor, as the plan proponent, has complied with the applicable provisions of Title 11.

3. The Plan has been proposed in good faith and not by any means forbidden by law.

4. The requisite number of impaired classes of claims or interests voting have voted to accept the Plan.

5. All payments made or promised to be made by the Debtor or any other person for services or for costs and expenses in, or in connection with, the Plan, and incident to the case, have been disclosed to the Court and are reasonable or, if to be fixed after Confirmation of the Plan, will be subject to the approval of the Court.

6. The identity, qualifications, and affiliations of the persons who are to serve the Debtor, after Confirmation of the Plan, have been fully disclosed, and the appointment of such persons to such offices, or their continuance therein, is equitable, and consistent with the interests of the creditors and equity security holders and with public policy.

7. The identity of any insider that will be employed or retained by the Debtor and his compensation has been fully disclosed.

8. The Plan does not affect any rate change of any regulatory commission with jurisdiction over the rights of the Debtor.

9. The Plan is not likely to be followed by further need for reorganization.

10. All Section 1930 fees shall be paid by the Debtor on or before the Effective Date of the Plan or as agreed to by the Debtor and the United States Trustee.

11. All creditors will receive more under the Plan than they would receive in a Chapter 7 liquidation.

12. The Plan does not affect any retiree benefits.

13. The Modifications announced in open Court on December 8, 2009 do not adversely affect any creditor who has previously voted to accept the Plan.

14. The Debtor reserves the right to object to the amount and allowance of all claims after Confirmation. All such objections shall be filed within sixty (60) days of the Effective Date, as defined in the Plan.

It is accordingly,

ORDERED, ADJUDGED AND DECREED that the Modifications announced in open Court on December 8, 2009, are approved. It is further

ORDERED ADJUDGED AND DECREED that the Debtor's Fourth Amended Plan of Reorganization, as attached hereto as Exhibit "A", is confirmed. It is further

ORDERED, ADJUDGED AND DECREED the Debtor is hereby required to file quarterly operating reports with the United States Trustee until such time as the case in closed. The Debtor is further required to pay the United States Trustee quarterly fees until such time as the clerk of the court closes the case.

Exhibit "A

Eric A. Liepins
ERIC A. LIEPINS, P.C.
12770 Coit Road
Suite 1100
Dallas, Texas 75251
Ph. (972) 991-5591
Fax (972) 991-5788

ATTORNEY FOR DEBTOR

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE	§	
	§	
WILLIAM & JUANITA BURCH	§	
	§	Case No. 08-No. 08-45761-11
DEBTORS	§	

FOURTH AMENDED PLAN OF REORGANIZATION OF WILLIAM & JUANITA BURCH PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE DATED OCTOBER 16, 2009

TO: ALL PARTIES-IN-INTEREST, THEIR ATTORNEYS OF RECORD AND TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COME NOW, William & Juanita Burch, Debtors and Debtors-in-Possession in the above-referenced bankruptcy cases, and proposes the following Plan of Reorganization ("Plan"). The Plan proposes segregation of the Creditors of the Debtor into 14 separate classes.

ARTICLE I

DEFINITIONS

Unless the context otherwise requires, the following capitalized terms shall have the meanings indicated when used in this Plan and in the accompanying Disclosure Statement, which meaning shall be equally applicable to both the singular and plural forms of such terms. Any term in this Plan that is not defined herein but that is used in title 11, United States Code ("Code") shall have the meaning assigned to such term in the Code.

1. "**Administrative Claim**" shall mean those Claims entitled to priority under the provisions of Section 507 of the Code, pursuant to a claimed and allowed administrative expense priority under Section 503(b) of the Code. However ad valorem tax authorities shall not be required to file and Administrative Expenses claim and request for payment in order for their Administrative Expenses Claims to be allowed.

2. "**Allowed Claim**" as to all Classes, hereinafter specified, shall mean a Claim against Debtor (a) for which a Proof of Claim has been timely filed with the Court by the Bar Date, or, with leave of the Court and without objection by any party-in-interest, late-filed and as to which neither the Debtor nor any party-in-interest files an objection or as to which the Claim is allowed by Final Order of the Court, or (b) scheduled in the list of creditors, as may be amended, prepared and filed with the Court pursuant to Rule 1007(b) and not listed as disputed, contingent or unliquidated as to amount, as to which no objection to the allowance thereof has been interposed through closing of this case, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending. This category includes all Claims deemed unsecured pursuant to §506(a) of the Code. When "Allowed Claim" is used in the context of a Secured Claim, the provisions of §506(b) of the Code shall also apply.

3. "**Allowed Secured Claim**" shall mean an Allowed Claim secured by a lien, security interest, or other encumbrance on the properties owned by the Debtor, which lien, security interest, or other encumbrance has been properly perfected as required by law, to the extent of the value of the property encumbered thereby. That portion of such Claim exceeding the value of the security held therefor shall be an Unsecured Claim, as defined below and determined pursuant to 11 U.S.C. §506(a).

4. "**Allowed Unsecured Claim**" shall mean an unsecured Claim against Debtor (a) for which a Proof of Claim has been timely filed with the Court by the Bar Date, or, with leave of the Court and without objection by any party-in-interest, late-filed and as to which neither the Debtor nor any party-in-interest files an objection or as to which the Claim is allowed by Final Order of the Court, or (b) scheduled in the list of creditors, as may be amended, prepared and filed with the Court pursuant to Rule 1007(b) and not listed as disputed, contingent or unliquidated as to amount, as to which no objection to the allowance thereof has been interposed through closing of this case, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending. This category includes all Claims deemed unsecured pursuant to §506(a) of the Code.

5. "**Bar Date**" shall mean the date fixed by the Court as the last date for filing all Claims in this case other than Administrative and Priority Claims or Rejection Claims.

6. "**Case**" shall mean this Chapter 11 case.

7. "**Claim**" shall mean any right to payment from the Debtor as of the date of entry of the Order Confirming Plan whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or can be asserted by way of set-off. Claim includes any right or cause of action based on a pre-petition monetary or non-monetary default.

8. "**Claimant**" shall mean the holder of a Claim.

9. "**Class**" shall refer to a category of holders of Claims or interests which are "substantially similar" as provided for in Section 1122 of the Code.

10. "**Code**" shall mean the United States Bankruptcy Code, being title 11 of the United States Code, as enacted in 1978 and thereafter amended.

11. "**Confirmation**" or "**Confirmation of this Plan**" shall mean entry by the Court of an Order confirming this Plan at or after a hearing pursuant to Section 1129 of the Code.

12. "**Confirmation Date**" shall mean the date on which the Court enters an Order confirming this Plan.

13. "**Court**" shall mean the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, presiding over this Chapter 11 reorganization case, or any successor court of competent jurisdiction.

14. "**Creditor**" shall mean any person having a Claim against Debtor.

15. "**Debt**" shall mean any obligation of Debtor, alone, and any obligation of Debtor and any other Person, to any Entity.

16. "**Debtor**" or "**Debtors**" shall mean William and Juanita Burch, individually and the Debtors in the above-styled and numbered case.

17. "**Disbursing Agent**" shall mean the Reorganized Debtor.

18. "**Effective Date**" shall mean thirty days after the Final Confirmation Date.

19. "**Entity**" shall include Person, estate trust, governmental unit and the United States Trustee.

20. "**Equity Interest Holders**" shall mean holders of the equity interests in the Debtors.

21. "**Final Confirmation**" shall mean that date which is eleven (11) days following the entry of the Order Confirming Plan, during which period of time no Notice of Appeal is filed, or if

a Notice of Appeal is filed, during which period of time no Motion for Stay Pending Appeal is granted or supersedeas bond is approved and filed.

22. "**Order Confirming Plan**" shall mean the Order of the Court determining that this Plan meets the requirements of Chapter 11 of the Code and is entitled to confirmation or filed for relief under Chapter 11 of the Code.

23. "**Petition Date**" shall mean the date on which the Debtor filed this proceeding, December 1, 2008.

24. "**Plan**" shall mean this Plan of Reorganization in its present form or as it may be amended, modified or supplemented.

25. "**Priority Claim**" shall mean any Claim entitled to priority pursuant to Section 507(a) of the Code except for Tax Claims and Claims incurred by the Debtor post-petition in the ordinary course of business.

26. "**Rejection Claim**" shall mean any Claim arising out of the rejection of a lease or executory contract pursuant to Section 365 of the Code, which Claim shall be treated as an Unsecured Claim.

27. "**Reorganized Debtor**" shall mean the entity which shall assume title to and control of the Debtors' assets and liabilities upon confirmation as provided herein.

28. "**Secured Claim**" shall mean an Allowed Claim secured by a lien, security interest, or other encumbrance on the properties owned by the Debtor, which lien, security interest, or other encumbrance has been properly perfected as required by law, to the extent of the value of the property encumbered thereby. That portion of such Claim exceeding the value of the security held therefor shall be an Unsecured Claim, as defined below and determined pursuant to 11 U.S.C. §506(a).

29. "**Substantial Consummation**" shall occur upon Debtor's commencement of payments to creditors as provided in this Plan.

30. "**Tax Claims**" shall mean any Claim entitled to priority under Section 507(a)(8) of the Code and shall include the claims of taxing authorities for taxes owed on the property retained by the Debtor under this Plan.

31. "**Unsecured Claim**" shall mean any Allowed Claim, whether or not liquidated or contingent other than a Priority Claim, a Tax Claim, or a Secured Claim.

ARTICLE 2
CERTAIN GENERAL TERMS AND CONDITIONS

The following general terms and conditions apply to this Plan:

2.1 **Claims and Debts**: Various types of Claims and Debts are defined in this Plan. This Plan is intended to deal with all Claims and Debts against the Debtors of whatever character whether or not contingent or liquidated and whether or not allowed by the Court pursuant to Section 502(a) of the Code and all Claims and Debts will receive the treatment afforded in Articles of this Plan. Claims and Debts incurred by the Debtors post-petition, including ad valorem taxes, in the ordinary course of business will be paid by the Debtors according to their terms as they come due.

2.2 **Securities Laws**: The issuance of any security in satisfaction of indebtedness under this Plan may be exempt from registration under certain State and Federal securities laws by virtue of Section 1145 of the Code and the exemption therein contained.

2.3 **Time for Filing Claims**: With respect to those Claims that have been identified in the Schedules filed pursuant to Section 521(1) of the Code and which have been scheduled as "disputed," "contingent," or "unliquidated," said Claimants must file a proof of claim bearing the case number of the above-styled and referenced proceeding with the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, on or before the Bar Date to participate under this Plan. Claims scheduled as disputed, contingent, or unliquidated filed after the Bar Date shall not be allowed, and shall not participate in the distributions contemplated by this Plan. Claims arising from rejection of a lease or executory contract and administrative claims shall be filed with the Court within thirty (30) days following the Confirmation Date of this Plan.

2.4 **Modifications to Plan**: In accordance with Bankruptcy Rule 3019, to the extent applicable, this Plan may be modified upon application of Debtors or corrected prior to Confirmation without notice and hearing and without additional disclosure pursuant to Section 1125 of the Code provided that, after hearing on and notice to the creditors, the Court finds that such modification does not materially or adversely affect any Creditor or Class of Creditor.

ARTICLE 3
TREATMENT OF UNCLASSIFIED CLAIMS
(CERTAIN ADMINISTRATIVE CLAIMS AND PRIORITY CLAIMS)

3.1 All trade and service debts and obligations, including ad valorem taxes for year 2009, incurred in the normal course of business by the Debtors on or after the Petition Date will be paid when due in the ordinary course of the Debtors' business unless a different time for payment is specified in this Plan.

3.2 Each governmental unit holding a post-petition Claim arising out of taxes assessed against property of the estate, also including "ad valorem property taxes," but limited as provided by Section 502(b)(3) of the Code, shall be paid in full when said Claims are due.

ARTICLE 4
DIVISION OF CREDITORS INTO CLASSES

4.1 Classification of Claims: This Classification of Claims is made for purposes of voting on this Plan, making distributions thereunder, and for ease of administration thereof. Unless specifically provided otherwise herein, on the Confirmation Date this Plan discharges and extinguishes all Claims and Debts against the Debtor of whatever character, whether allowed by the Court or otherwise.

Class 1: Consists of **Allowed Administrative Claims Attorney fees and US Trustee Fees** (Not Impaired)

Class 2: Consists of **Allowed IRS Tax Claims** (Impaired)

Class 3: Consists of **Allowed Ad Valorem Tax Claims** (Impaired)

Class 4: Consists of **Allowed Secured Claim of America Home Mortgage Bank** (Impaired)

Class 5: Consists of **Allowed Secured Claim of America's Servicing Company** (Impaired)

Class 6: Consists of **Allowed Secured Claim of Aurora Loan Service** (Impaired)

Class 7: Consists of **Allowed Secured Claim of Chase Bank** (Impaired)

Class 8: Consists of **Allowed Secured Claim of Countrywide Home Loans** (Impaired)

Class 9: Consists of **Allowed Secured Claim of Freedom Mortgage** (Impaired)

Class 10: Consists of **Allowed Secured Claim of Litton Loan Servicing** (Impaired)

Class 11: Consists of **Allowed Secured Claim of Select Portfolio Services** (Impaired)

Class 12: Consists of **Allowed Secured Claim of Sprint Partners** (Impaired)

Class 13: Consists of **Allowed Secured Claim of Wells Fargo** (Impaired)

Class 14: Consists of **Allowed Unsecured Creditors** (Impaired)

ARTICLE 5
TREATMENT OF CLASSES

5.1 **Satisfaction of Claims and Debts**: The treatment of and consideration to be received by holders of Allowed Claims or interests pursuant to this Article of this Plan shall be in full settlement, release and discharge of their respective Claims, Debts, or interests as against the Debtors subject to the provisions herein. On the Confirmation Date, the Reorganized Debtor shall assume all duties, responsibilities and obligations for the implementation of this Plan.

5.2 Class 1 Claimants (Allowed Administrative Claims of Professionals and US Trustee)

are unimpaired and will be paid in cash and in full on the Effective Date of this Plan. Professional fees are subject to approval by the Court as reasonable. Debtors' attorney's fees approved by the Court and payable to the law firm of Eric Liepins, P.C. will be paid immediately following the later of Confirmation or approval by the Court out of the available cash. This case will not be closed until all allowed Administrative Claims are paid in full. Aurora Loan Services shall have an Administrative Claim in the amount of $1,500. This Claim shall be paid in twelve monthly installments commencing on the Effective Date. Class 1 Creditor Allowed Claims are estimated as of the date of the filing of this Plan to not exceed the amount of $15,000 including Section 1930 fees. Section 1930 fees shall be paid in full prior to the Effective Date. The Debtors are required to continue to make quarterly payments to the U.S. Trustee and may be required to file post-confirmation operating reports until this case is closed. The Class 1 Claimants are not impaired under this Plan.

5.3 5.3 Class 2 Claimants (Allowed Secured Claim of IRS) is impaired and shall be satisfied as follows: The Allowed Secured Claim of the IRS shall will be satisfied by being paid in full with interest in monthly installments, out of revenue of the Reorganized Debtor's continued operation of business, with the total amount of that Allowed Secured Claim subject to being reduced during the term of the Plan through lump sum payments from distribution of proceeds in accordance with existing lien priorities from the sale of any real property assets of the Debtor. (a) This Class consists of the Allowed Secured Claim of the United States of America, Internal Revenue Service ("IRS"). That Claim is in the amount of $116,584.13 as evidenced by the Proof of Claim filed herein by the IRS, being Claim 18-2, and is secured by liens on the real and personal property of the Debtors as identified in the attachments to the Proof of Claim. The Plan intends to treat the IRS claim as a secured Class 2 claim. The Class 2 claim will be paid in full over a 60 month period from the date of the petition, commencing on the Effective Date with interest at a rate of 4% per annum. The amount of the Class 2 Allowed Secured Claim of the IRS may be amended should the IRS file an amended proof of claim in this case. The IRS may file an amendment to its Proof of Claim at any time and said amendment will be deemed timely filed.

(b) The Class 2 Allowed Secured Claim of the IRS will be paid, together with interest at the rate of 4% per annum, in cash in equal monthly payments of $2,489.57 each over a term not to exceed 51 months from the date of Confirmation, with the first payment to be due on the first day of the first month following the Effective Date, and with the subsequent payments being due on the first day of each month thereafter. The amount of the monthly payment may change in the event the Debtor's objects to the IRS Proof of Claim or in the event the IRS amends its Proof of Claim. The Debtor has filed amended returns to reflect changes in the amount owed.

(c) The Class 2 Claimant, the IRS, will, notwithstanding any other term or provision of this Plan, retain its liens until the Allowed Secured Claim is, together with interest, paid in full. However, as set forth in the Plan in the event the Debtor sell any of the Properties, the IRS shall release its lien on the Property sold once all proceeds from the sale are distributed in accordance with existing lien priorities.

(d) The IRS Secured Claim of $116,584.13 is an Allowed Secured Claim unless the Debtor or Reorganized Debtor files an objection to the filed IRS Proof of Claim before the expiration of 30 days from the Effective Date. If such an objection is timely filed, then the IRS Secured Claim will become an Allowed Secured Claim upon final order of the Court resolving that objection and the amount of the IRS Secured Claim. If the IRS files an amended proof of claim changing the amount of the Secured Claim, then the amount of the amended proof of claim will become the Class 2

Allowed Secured Claim of the IRS unless an objection is filed thereto within 30 days of the filing of the amended proof of claim.

(e) Payments under the Plan to the IRS on its claims are to be made to: Internal Revenue Service, Insolvency, Attn: Nathan Villanueva, Bankruptcy Advisor, Insolvency Group 1, Room 937, MAIL Code 5029, 1100 Commerce Street, Dallas, Texas 75242, 214.413.5346, Facsimile 214.413.5208.

(f) Notwithstanding any other provision or term of this Plan or order of confirmation, the following Default Provision shall apply to the IRS and its claims and administrative expense claims in this case:

If the Debtor or the Reorganized Debtor fails to make all payments on federal taxes, claims of the IRS, and administrative expense claims of the IRS, which are provided for in this Plan or order of confirmation, or if any other event of default as provided in the Plan occurs, the IRS shall be entitled to give the Debtor and Reorganized Debtor notice of the default and if the default has not been cured within thirty (30) days from the mailing of the written notice, the IRS shall have the following rights and the following provisions shall apply to the IRS:

(1) The IRS shall have the right to declare due and payable any interest or penalties which would have accrued on pre-petition tax liabilities of the Debtor but for the filing of the bankruptcy petition and if the Debtor fails to pay the interest and penalties then they may be assessed by the IRS;

(2) The pre-petition tax claims shall be treated as taxes owed by a non-debtor as if no bankruptcy petition has been filed and as if no plan had been confirmed;

(3) The IRS shall have the right to proceed to collect from the Debtor or the reorganized Debtor any of the pre-petition tax liabilities and related penalties and interest through administrative or judicial collection procedures available under the United States Code as if no bankruptcy petition had been filed and as if no plan had been confirmed, and, such procedure shall include, but not be limited to:

(i) the filing of notices of federal tax liens; and (ii) collection by levy as provided by I.R.C. §§ 6331 through 6344; and

(4) The failure of the IRS to declare a default does not constitute a waiver by the IRS of the right to declare that the Debtor or Reorganized Debtor are in default of the Plan or order of confirmation.

5.4 Class 3 Claimants (The Allowed Property Taxes Claims). The Allowed Amount of all Priority Property Tax Creditor Claims shall be paid out of either the proceeds from the sale of any property for which a tax is owed or out of the revenues or employment income of the Debtor for any property which is to be retained under the Plan. The Priority Tax Creditor Claims which are to be paid under the Plan result from real property taxes on the following properties: 3007 Sunnybrook, Arlington, Texas, 2811 Galemeadow, Fort Worth, Texas and 511 Plainview, Mansfield, Texas (The "Tax Properties"). Various taxing authorities have filed Proofs of Claim, however, those Proofs of Claim include taxes which have now been paid. The Debtors believe the current amount of past due ad valorem taxes is $18,645. The Monthly payment on these taxes will be approximately $414 per month. The amounts owning on the Tax Properties are the ad valorem real property taxes for tax years 2007 and 2008. These taxes will be paid over a 60 month period commencing on the Effective Date. The Ad Valorem Taxes for real property taxes will receive post-petition pre-confirmation

interest at the state statutory rate of 1% per month and post-confirmation interest at the rate of 12% per annum. The ad valorem Taxing Authorities shall retain their liens, and their lien priority, to secure their Tax Claims until paid in full as called for by this Plan.

5.5 C lass 4 Claimant (Allowed Secured Claim of America Home Mortgage) is impaired and shall be satisfied as follows: America Home Mortgage ("America") is the mortgage holder on the properties located at 426 Falling Leaves, Duncanville, Texas, 420 Georgetown, Everman, Texas and 3007 Sunnybrook, Arlington, Texas (the "America Properties"). The Debtor shall surrender the Falling Leaves property in full satisfaction of the debt pursuant to 11 U.S.C. 1129(b)(2)(A)(iii). Based upon the Debtors' current value of the Georgetown property, the Debtors will enter into a New Georgetown Note in the original principal amount of $59,500 ("New Georgetown Note"). The New Georgetown Note shall bear interest at the rate of 4.5% per annum . The Debtors shall pay the New Georgetown Note in 360 equal monthly payments of $302.29 commencing on the Effective Date. Based upon the Debtors' current value of the Sunnybrook property, the Debtors will enter into a New Sunnybrook Note in the original principal amount of $81,432 ("New Sunnybrook Note"). The New Sunnybrook Note shall bear interest at the rate of 7% per annum . The Debtors shall pay the New Sunnybrook Note in 360 equal monthly payments of $542 commencing on the Effective Date. Class 4 is impaired under this Plan.

5 Class 5 Claimant (Allowed Secured Claim of America's Servicing Company) is impaired and shall be satisfied as follows: America's Servicing Company ("Servicing") is the mortgage holder on the properties located at 1937 Bolingbroke, Fort Worth, Texas, 503 W. 8th Street, Lancaster, Texas, 2809 Harvest Lake Irving, Texas, and 707 Hunters Glen, Arlington, Texas (the "Servicing Properties"). The Debtors shall retain the Servicing Properties. Based upon the Debtors' current value of the Bolingbroke property, the Debtors will enter into a New Bolingbroke Note in the original principal amount of $75,000 ("New Bolingbroke Note"). The Bolingbroke Note shall bear interest at the rate of 4.5% per annum . The Debtors shall pay the New Bolingbroke Note in 360 equal monthly payments of $380 commencing on the Effective Date. Based upon the Debtors' current value of the 8th Street property, the Debtors will enter into a New 8th Street Note in the original principal amount of $34,800 ("New 8th Street Note"). The New 8th Street Note shall bear interest at the rate of 4.5% per annum . The Debtors shall pay the New 8th Street Note in 360 equal monthly payments of $173.09 commencing on the Effective Date. Based upon the Debtors' current value of the Harvest Lake property, the Debtors will enter into a New Harvest Lake Note in the original principal amount of $89,620 ("New Harvest Lake Note"). The New Harvest Lake Note shall bear interest at the rate of 4.5% per annum . The Debtors shall pay the New Harvest Lake Note in 360 equal monthly payments of $454 commencing on the Effective Date. Based upon the Debtors' current value of the Hunters Glen property, the Debtors will enter into a New Hunters Glen Note in the original principal amount of $75,000 ("New Hunters Glen Note"). The New Hunters Glen Note shall bear interest at the rate of 4.5% per annum . The Debtors shall pay the New Hunters Glen Note in 360 equal monthly payments of $380.83 commencing on the Effective Date. Class 5 is impaired under this Plan.

5.7 Class 6 Claimant (Allowed Secured Claims of Aurora Loan Services) is impaired and shall be satisfied as follows: Aurora Loan Services ("Aurora") is a mortgage holder on property located at 213 Woodhaven, De Soto, Texas (the "Aurora Property"). The Debtor shall surrender the Woodhaven Property in full satisfaction of the debt pursuant to 11 U.S.C. 1129(b)(2)(A)(iii). Aurora is also the lienholder on the Debtors present home at 5947 Waterford, Grand Prairie, Texas (the "Waterford Property"). The Debtors shall retain the Waterford Property as their homestead and continue to make monthly payments in accordance with the terms of the existing loan documents. The Debtor's shall pay any pre-petition arrearage on the property prior to the Effective Date. The payments to Aurora shall be principal and interest only on the Waterford property. The Debtors shall be responsible for maintaining and directly paying for adequate continuous insurance coverage on the Waterford property and directly paying all property taxes. Class 6 is impaired under this Plan.

5.8 Class 7 Claimant (Allowed Secured Claims of Chase) is impaired and shall be satisfied as follows: Chase Bank ("Chase") is the mortgage holder on the following properties located at 1713 Enchanted, Lancaster, Texas, 203 Hemlock, Arlington, Texas, 4717 Ira, Haltom City, Texas and 2236 Shady Grove, Bedford, Texas (the "Chase Properties"). Based upon the Debtors' current value of the Enchanted property, the Debtors will enter into a New Enchanted Note in the original principal amount of $68,000 ("New Enchanted Note"). The New Enchanted Note shall bear interest at the rate of 5% per annum. The Debtors shall pay the New Enchanted Note in 360 equal monthly payments of $365.04 commencing on the Effective Date. Based upon the Debtors' current value of the Hemlock property, the Debtors will enter into a New Hemlock Note in the original principal amount of $84,950 ("New Hemlock Note"). The New Hemlock Note shall bear interest at the rate of 5.25% per annum . The Debtors shall pay the New Hemlock Note in 360 equal monthly payments of $469.65 commencing on the Effective Date. Based upon the Debtors' current value of the Ira property, the Debtors will enter into a New Ira Note in the original principal amount of $78,000 ("New Ira Note"). The New Ira Note shall bear interest at the rate of 4.5% per annum . The Debtors shall pay the New Ira Note in 360 equal monthly payments of $365.63 commencing on the Effective Date. Based upon the Debtors' current value of the Shady Grove property, the Debtors will enter into a New Shady Grove Note in the original principal amount of $101,000 ("New Shady Grove Note"). The New Shady Grove Note shall bear interest at the rate of 4.5% per annum . The Debtors shall pay the New Shady Grove Note in 360 equal monthly payments of $512.56 commencing on the Effective Date. Class 7 is impaired under this Plan.

5.9 Class 8 Claimant (Allowed Secured Claims of Countrywide Home Loans) is impaired and shall be satisfied as follows: Countrywide Home Loans ("Countrywide") is the mortgage holder on the properties located at 1053 Briarwood, De Soto, Texas, 2811 Galemeadow, Fort Worth, Texas and 7613 Timberline, Kennedale, Texas (the "Countrywide Properties"). The Debtors shall retain the Countrywide Properties. Based upon the Debtors' current value of the Brairwood property, the Debtors will enter into a New Briarwood Note in the original principal amount of $82,000 ("New Brairwood Note"). The New Briarwood Note shall bear interest at the rate of 5% per annum . The Debtors shall pay the New Briarwood Note in 360 equal monthly payments of $413.35 commencing on the Effective Date. Based upon the Debtors' current value of the Galemeadow property, the Debtors will enter into a New Galemeadow Note in the original principal amount of $61,600 ("New Galemeadow Note"). The New Galemeadow Note shall bear interest at the rate of 4.5% per annum.

The Debtors shall pay the New Galemeadow Note in 360 equal monthly payments of $312.93 commencing on the Effective Date. Based upon the Debtors' current value of the Timberline property, the Debtors will enter into a New Timberline Note in the original principal amount of $89,602 ("New Timberline Note"). The New Timberline Note shall bear interest at the rate of 5% per annum. The Debtors shall pay the New Timberline Note in 360 equal monthly payments of $472.40 commencing on the Effective Date. Class 8 is impaired under this Plan.

5.10 Class 9 Claimant (Allowed Secured Claims of Freedom Mortgage) is impaired and shall be satisfied as follows: Freedom Mortgage ("Freedom") is the mortgage holder on the property located at 1006 Nancy, Lancaster, Texas (the "Freedom Property"). Based upon the Debtors' current value of the Nancy property, the Debtors will enter into a New Nancy Note in the original principal amount of $67,000 ("New Nancy Note"). The New Nancy Note shall bear interest at the rate of 7% per annum. The Debtors shall pay the New Nancy Note in 360 equal monthly payments of $412 commencing on the Effective Date. Class 9 is impaired under this Plan.

5.11 Class 10 Claimant (Allowed Secured Claims of Litton Loan Servicing) is impaired and shall be satisfied as follows: Litton Loan Servicing ("Litton") is the mortgage holder on the property located at 2531 Gerry Way, Lancaster, Texas (the "Litton Property"). Based upon the Debtors' current value of the Gerry Way property, the Debtors will enter into a New Gerry Way Note in the original principal amount of $33,000 ("New Gerry Way Note"). The New Gerry Note shall bear interest at the rate of 5.1% per annum. The Debtors shall pay the New Gerry Way Note in 360 equal monthly payments of $195.86 commencing on the Effective Date. Class 10 is impaired under this Plan.

5.12 Class 11 Claimant (Allowed Secured Claims of Select Portfolio Services) is impaired and shall be satisfied as follows: Select Portfolio Services ("Select") is the mortgage holder on the properties located at 1169 Meadow Creek, Lancaster, Texas and 3805 Wrentham, Arlington, Texas (the "Select Properties"). The Debtor shall surrender the Meadow Creek in full satisfaction of the debt pursuant to 11 U.S.C. 1129(b)(2)(A)(iii). Based upon the Debtors' current value of the Wrentham property, the Debtors will enter into a New Wrentham Note in the original principal amount of $113,621.64 (or such amount as determined by the Court) ("New Wrentham Note"). The New Wrentham Note shall bear interest at the rate of 7% per annum. The Debtors shall pay the New Wrentham Note in 360 equal monthly payments of $755 commencing on the Effective Date. The Class 11 Creditor is impaired under this Plan.

5.13 Class 12 Claimant (Allowed Secured Claims of Sprint Partners) is impaired and shall be satisfied as follows: Sprint Partners ("Sprint") is the mortgage holder on the property located at 511 Plainview, Mansfield, Texas (the "Plainview Property"). The Debtor shall surrender the Plainview property in full satisfaction of the indebtedness pursuant to 11 U.S.C. 1129(b)(2)(A)(iii). Class 12 is impaired under this Plan.

5.14 Class 13 Claimant (Allowed Secured Claims of Wells Fargo) is impaired and shall be satisfied as follows: Wells Fargo ("Wells") is the mortgage holder on the property located at 7188 Chambers Creek, Arlington, Texas (the "Chambers Creek Property"). Based upon the Debtors'

current value of the Chambers Creek property, the Debtors will enter into a New Chambers Creek Note in the original principal amount of $120,000 ("New Chambers Creek Note"). The New Chambers Creek Note shall bear interest at the rate of 4.5% per annum. The Debtors shall pay the New Chambers Creek Note in 360 equal monthly payments of $608.83 commencing on the Effective Date. Class 13 is impaired under this Plan.

5.15 Class 14 Claimants (Allowed Unsecured Creditors) are impaired and shall be satisfied as follows: All Allowed Unsecured Creditors, this will include any bificated secured and unsecured creditors from Classes 4 through 13, and any claims of junior lienholders on any of the Retained Properties, including the junior liens held by JPMorgan Chase on the properties located at 1937 Bolingbroke Ct, Fort Worth, Texas – claim #35; 426 Falling Leaves Dr., Duncanville, Texas – claim #36; 2809 Harvest Lake Dr., Irving, Texas – claim #32; and 707 N. Hunters Glen Circle, Arlington, Texas – claim #34, hereinafter referred to as the "JP Morgan Chase Junior Liens"), shall be paid out of the unsecured creditors pool. However, any Class 14 creditors whose claim arises as a result of the value of any of the properties being less than the amount of the lien claims on those properties, including the JPMorgan Chase Junior Liens described above, shall be entitled to retain their liens on the properties during the term of the Plan, and in the event any property is sold under the Plan to which these liens attach, the creditor holding such lien shall be entitled to assert the amount of its lien claim to the proceeds of any such sale, to the exclusion of other unsecured creditors, after payment of any priority lien claimants.

Otherwise, the Debtors shall make payments unto the unsecured creditors in the amount of $300 per month for a period of 60 months. In the event the Debtors sell any of the Retained Properties in the first 12 months from the Confirmation Date, 30% of the Net Proceeds (which shall mean monies remaining after payment of taxes, existing liens, including the IRS lien and JPMorgan Chase Junior Liens, and closing costs) will be placed into the Unsecured Creditor's Pool and distributed at the next scheduled distribution date. In the event the Debtors sell any of the Retained Properties in months 13 to 24 from the Confirmation Date, 20% of the Net Proceeds will be placed into the Unsecured Creditor's Pool and distributed at the next scheduled distribution date. In the event the Debtors sell any of the Retained Properties in months 25 to 36 from the Confirmation Date, 10% of the Net Proceeds will be placed into the Unsecured Creditor's Pool and distributed at the next scheduled distribution date. Allowed Unsecured Creditors shall receive their pro rata share of the Unsecured Class 14 Creditors Pool on a quarterly basis commencing on the last day of the first full calendar quarter after the Effective Date. The Class 14 Claimants are impaired under this Plan.

ARTICLE 6
MEANS FOR EXECUTION OF THE PLAN

6.1 **Action to be taken:** Any actions required to be taken by the Debtors on the Effective Date may be taken by the Debtors before the Effective Date or immediately following the date of Final Confirmation.

6.2 **Ongoing Operations:** The Debtors' obligations under this Plan will be satisfied out of the ongoing operations of the Reorganized Debtors. The income projections of the Reorganized Debtors are attached to the Disclosure Statement. The Debtors believe the projections to be accurate based upon current revenues. The Debtors do not intent to dramatically alter the current expenses and has projected only moderate growth over the Plan term.

6.3 Notwithstanding anything contained herein, the Reorganized Debtors shall have the right to request the Court to disallow any claim of any Entity from which property is recoverable under Sections 542, 543, 550, and 553 of title 11, or that is a transferee of a transfer avoidable under Sections 544, 545, 548, or 549 of title 11 unless such Entity or transferee has paid the amount, or turned over any such property, for which such Entity or transferee is liable.

ARTICLE 7
SECTION 1129(b)(2)

7.1 The Court may confirm this Plan even though less than all of the Classes of Claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code. Accordingly, Debtors, as the plan proponent, requests the Court to determine that this Plan does not discriminate unfairly, and is fair and equitable with respect to the rejecting creditor.

ARTICLE 8
STATUS OF EXECUTORY CONTRACTS

8.1 All unexpired leases and executory contracts shall be assumed on or before the Effective Date. To the extent there are any unexpired leases or executory contracts, which have not been assumed or dealt with in this Plan prior to the Effective Date, they are rejected. Any existing leases with tenants in any of the Retained properties are specifically assumed.

ARTICLE 9
EVENTS OF DEFAULT AND EFFECT THEREOF

9.1 In the event that Substantial Consummation of this Plan does not occur on or before the earlier of the Effective Date or 71 days after the Confirmation Date, the Order of Confirmation may be vacated by any party in interest, other than the Debtors.

9.2 No Claimant shall have the right to enforce any rights under this Plan until the Reorganized Debtors fails to cure any default hereunder within thirty (30) days of receipt of written notice of such default to Reorganized Debtors.

9.3. Default shall occur if one scheduled Plan payment is not made by Debtors or if current taxes are not timely paid pursuant to state law. In the event of default, any party in interest who has not received their required payment, shall send written notice of default as set forth in

section 9.2 above. Any notice of default sent by ad valorem taxing authorities, under the Plan may be sent via facsimile to William Burch 817-919-4853. In the event the default of payment to the ad valorem taxing authorities is not cured within twenty (20) days of the date of the facsimile, ad valorem taxing authorities may proceed to collect all amounts owed pursuant to state law outside of the Bankruptcy Court. The ad valorem taxing authorities shall not be required to give more than two notices of default. Upon the third event of default, the ad valorem taxing authorities shall be able to collect all amounts pursuant to state law outside of the Bankruptcy Court. Notwithstanding anything in this Plan to the contrary, the Bankruptcy Court shall not retain jurisdiction with respect to any tax claims except for (i) resolving the amount of any such tax claim arising prior to confirmation, and (ii) enforcing the discharge provision of the Plan.

ARTICLE 10
DISCHARGE

10.1 Upon Confirmation, to the extent that a Claim or Debt has not been dealt with under this Plan, such Claim or Debt will be released.

10.2 The automatic stay imposed by Section 362 of the Code or any preliminary injunction granted by the Court to allow for Substantial Consummation of this Plan shall remain in effect until the Effective Date.

ARTICLE 11
AMENDMENTS TO THE PLAN

11.1 Debtors may modify this Plan following Confirmation and before Substantial Consummation to the extent consistent with the requirements of section 1122 and 1123 of Title 11. The Plan as modified becomes the Plan if circumstances warrant modification and the Court approves of such modifications.

11.2 In the event of modification of this Plan pursuant to Section 11.1, any holder of a Claim or interest that has accepted or rejected this Plan is deemed to have accepted or rejected, as the case may be, the Plan as modified, unless, within ten (10) days of service of the Plan modifications upon such holder, such holder changes its previous acceptance or rejection.

ARTICLE 12
EFFECT OF CONFIRMATION

12.1 The provisions of this Plan bind Debtors, any Entity issuing securities under this Plan, any Entity acquiring property under this Plan, and any Creditor or Equity Interest Holder, whether or not the Claim or interest of such Creditor or Equity Interest Holder is impaired under the Plan and whether or not such Creditor or Equity Interest Holder has accepted this Plan.

12.2 All property of the estate is vested in the Reorganized Debtors.

In the event the case is converted to a proceeding under Chapter 7, all property of the estate will vest in the Chapter 7 trustee.

12.3 All property of the Reorganized Debtors is free and clear of all Claims and interests of Creditors and Equity Interest Holders, except as to claims, secured claims or secured debentures and interests specifically granted in this Plan.

12.4 All Debts that arose before the Confirmation Date and any Debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Code, whether or not a proof of claim based on such Debt is filed or deemed filed under Section 501, whether or not such Claim is allowed under Section 502; and whether or not the holder of such Claim has accepted this Plan; are, fully and finally satisfied by this Plan.

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 The obligations under this Plan to any particular Claim are governed by the laws of the State constituting the situs of the debt represented by that particular Claim described in this Plan.

13.2 Equity Interest Holders are relieved from all liability, obligation or duty to initiate or pursue any causes of action of Debtors against any Entity.

13.3 Any caption herein is for convenience only and does not affect the construction of the Plan.

13.4 Any distribution pursuant to this Plan which remains unclaimed for a period of six (6) months from the due date of such distribution is forfeited.

ARTICLE 14
RETENTION OF JURISDICTION

Until this case is closed, the Court retains jurisdiction of the following matters only:

14.1 To direct any necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a Transfer of property dealt with by the Plan and to perform any other act, including the satisfaction of any Lien, that is necessary for the consummation of this Plan.

14.2 To allow or disallow Claims.

14.3 To hear and determine all Claims arising from the rejection of executory contracts and unexpired leases which are included in Debtors' estate and to consummate rejection and termination thereof in connection with Debtors' estate and/or implementation of the Plan.

14.4 To liquidate damages or estimate Claims in connection with any disputed, contingent or unliquidated Claims.

14.5 To adjudicate all Claims to an ownership interest in any property of Debtors' estate.

14.6 To recover all assets and properties, including by lawsuit, of Debtors' estate wherever located.

14.7 To hear and determine Claims concerning Federal, State and local taxes pursuant to Section 346, 505, 525 and 1146 of the Code.

14.8 To hear and determine any action or proceeding brought by Debtors or the Reorganized Debtors under Section 510, 542, 543, 544, 545, 547, 548, 549, 550, 551 and 553 of the Code, whether such action or proceeding is brought before or after the Effective Date.

14.9 To hear and determine any core proceeding, whether such proceeding is brought before or after the Effective Date.

14.10 To determine the validity, extent and priority of all Liens and security interests against property of Debtors' estate.

14.11 To consider any modification of this Plan under Section 1127 of the Code or under Bankruptcy Rule 3020 and/or modification of this Plan after Substantial Consummation as defined herein.

14.12 To hear and determine all requests for compensation and/or reimbursement of expenses of professionals.

14.13 To hear and determine Reorganized Debtors' requests for orders as are consistent with this Plan as may be necessary or desirable to carry out the provisions thereof.

14.14 To enter an order closing this case.

Respectfully submitted,

Respectfully submitted,

William Burch

/s/ William Burch

Juanita Burch

__/s/ Juanita Burch____
Juanita Burch

ERIC LIEPINS, P.C.
ERIC LIEPINS
12770 Coit Road
Suite 1100
Dallas, Texas 75251
(972)991-5591
(972) 991-5788 - telecopier

End of Order

CERTIFICATE OF NOTICE

District/off: 0539-4 User: swhitaker Page 1 of 1 Date Rcvd: Dec 09, 2009
Case: 08-45761 Form ID: pdf016 Total Noticed: 1

The following entities were noticed by first class mail on Dec 11, 2009.
db/jdb +William Burch, Juanita Burch, P.O. Box 201583, Arlington, TX 76006-1583

The following entities were noticed by electronic transmission.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****
NONE. TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Dec 11, 2009 **Signature:** Joseph Speetjens

APPENDIX I

EXHIBIT 6

Amended and Restated Promissory Note

January 19, 2010	Grapevine	TX
(Date)	(City)	(State)

203 Hemlock Dr
Arlington, TX 76018-1502
(Property Address)

This Amended and Restated Promissory Note amends and restates the InterestFirst Note dated December 4, 2006 in the original principal amount of $78,750.00 executed by Juanita Burch (the "Borrower") payable to the order of Freedom Mortgage Corporation (the "Original Note"). The Original Note was assigned to the Federal National Mortgage Association, which is the owner and holder of the Original Note as of the date of execution and delivery of this Amended and Restated Promissory Note. Upon the Borrower's execution and delivery of this Amended and Restated Promissory Note to the Federal National Mortgage Association, all of the the Borrower's obligations under Original Note will be completely replaced by the Borrower's obligations under this Amended and Restated Promissory Note.

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. $84,950.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Federal National Mortgage Association, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016.

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.25 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will make a payment every month. This payment will consist of principal and interest.

I will make my monthly payment the 1st day of each month beginning on February 1, 2010. I will make these payments every month until I have paid all of the Principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be

applied as of its scheduled due date, and if the payment includes both principal and interest it will be applied to interest before Principal. If, on January 1, 2040, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments to JPMorgan Chase Bank, N.A., as servicer for the Federal National Mortgage Association, ATTN: OH4- 7126, 3415 Vision Drive, Columbus, OH 43219 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. $469.65.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest of the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date of my monthly payment unless the Note Holder agrees in writing to those changes and the amount of my monthly payment will not decrease; however, the principal and the interest required under this Note will be paid prior to the Maturity Date.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

A. Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

B. Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

C. Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

D. No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

E. Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that anyone of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as the Original Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of any amounts I owe under this Note. Some of those conditions are described as follows:

> If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.
>
> If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

WITNESS TO THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Juanita Burch _____(Seal)
-Borrower

[Sign Original Only]

APPENDIX J

TBCC 3.501

Sec. 3.501. PRESENTMENT.

(a) "Presentment" means a demand made by or on behalf of a person entitled to enforce an instrument to:

(1) pay the instrument made to the drawee or a party obliged to pay the instrument or, in the case of a note or accepted draft payable at a bank, to the bank; or

(2) accept a draft made to the drawee.

(b) The following rules are subject to Chapter 4, agreement of the parties, and clearing-house rules and the like:

(1) Presentment may be made at the place of payment of the instrument and must be made at the place of payment if the instrument is payable at a bank in the United States. Presentment may be made by any commercially reasonable means, including an oral, written, or electronic communication. Presentment is effective:

(A) when the demand for payment or acceptance is received by the person to whom presentment is made; and

(B) if made to any one of two or more makers, acceptors, drawees, or other payors.

(2) On demand of the person to whom presentment is made, the person making presentment must:

(A) exhibit the instrument;

(B) give reasonable identification and, if presentment is made on behalf of another person, reasonable evidence of authority to do so; and

(C) sign a receipt on the instrument for any payment made or surrender the instrument if full payment is made.

(3) Without dishonoring the instrument, the party to whom presentment is made may:

(A) return the instrument for lack of a necessary indorsement; or

(B) refuse payment or acceptance for failure of the presentment to comply with the terms of the instrument, an agreement of the parties, or other applicable law or rule.

(4) The party to whom presentment is made may treat presentment as occurring on the next business day after the day of presentment if the party to whom presentment is made has established a cutoff hour not earlier than 2 p.m. for the receipt and processing of instruments presented for payment or acceptance and presentment is made after the cutoff hour

APPENDIX K

11 U.S. Code § 1141

(a) Except as provided in subsections (d)(2) and (d)(3) of this section, the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor, equity security holder, or general partner in the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired under the plan and whether or not such creditor, equity security holder, or general partner has accepted the plan.

(b) Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.

(c) Except as provided in subsections (d)(2) and (d)(3) of this section and except as otherwise provided in the plan or in the order confirming the plan, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the debtor.

(d)

(1) Except as otherwise provided in this subsection, in the plan, or in the order confirming the plan, the confirmation of a plan—

(A) discharges the debtor from any debt that arose before the date of such confirmation, and any debt of a kind specified in section 502(g), 502(h), or 502(i) of this title, whether or not—

(i) a proof of the claim based on such debt is filed or deemed filed under section 501 of this title;

(ii) such claim is allowed under section 502 of this title; or

(iii) the holder of such claim has accepted the plan; and

(B) terminates all rights and interests of equity security holders and general partners provided for by the plan.

(2) A discharge under this chapter does not discharge a debtor who is an individual from any debt excepted from discharge under section 523 of this title.

(3) The confirmation of a plan does not discharge a debtor if—

(A) the plan provides for the liquidation of all or substantially all of the property of the estate;

(B) the debtor does not engage in business after consummation of the plan; and

(C) the debtor would be denied a discharge under section 727(a) of this title if the case were a case under chapter 7 of this title.

(4) The court may approve a written waiver of discharge executed by the debtor after the order for relief under this chapter.

(5) In a case in which the debtor is an individual—

(A) unless after notice and a hearing the court orders otherwise for cause, confirmation of the plan does not discharge any debt provided for in the plan until the court grants a discharge on completion of all payments under the plan;

(B) at any time after the confirmation of the plan, and after notice and a hearing, the court may grant a discharge to the debtor who has not completed payments under the plan if—

(i) the value, as of the effective date of the plan, of property actually distributed under the plan on account of each allowed unsecured claim is not less than the amount that would have been paid on such claim if the estate of the debtor had been liquidated under chapter 7 on such date;

(ii) modification of the plan under section 1127 is not practicable; and

(iii) subparagraph (C) permits the court to grant a discharge; and

(C) the court may grant a discharge if, after notice and a hearing held not more than 10 days before the date of the entry of the order granting the discharge, the court finds that there is no reasonable cause to believe that—

(i) section 522(q)(1) may be applicable to the debtor; and

(ii) there is pending any proceeding in which the debtor may be found guilty of a felony of the kind described in section 522(q)(1)(A) or liable for a debt of the kind described in section

522(q)(1)(B);and if the requirements of subparagraph (A) or (B) are met.

(6) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt—

(A) of a kind specified in paragraph (2)(A) or (2)(B) of section 523(a) that is owed to a domestic governmental unit, or owed to a person as the result of an action filed under subchapter III of chapter 37 of title 31 or any similar State statute; or

(B) for a tax or customs duty with respect to which the debtor—

(i) made a fraudulent return; or

(ii) willfully attempted in any manner to evade or to defeat such tax or such customs duty.

APPENDIX L

Texas Business and Commerce Code Title 3 Insolvency, Fraudulent Transfers, and Fraud, Chapter 26 Statute of frauds (TBCC)

Sec. 26.01. PROMISE OR AGREEMENT MUST BE IN WRITING.

(a) A promise or agreement described in Subsection (b) of this section is not enforceable unless the promise or agreement, or a memorandum of it, is

(1) in writing; and

(2) signed by the person to be charged with the promise or agreement or by someone lawfully authorized to sign for him.

(b) Subsection (a) of this section applies to:

(1) a promise by an executor or administrator to answer out of his own estate for any debt or damage due from his testator or intestate;

(2) a promise by one person to answer for the debt, default, or miscarriage of another person;

(3) an agreement made on consideration of marriage or on consideration of nonmarital conjugal cohabitation;

(4) a contract for the sale of real estate;

(5) a lease of real estate for a term longer than one year;

(6) an agreement which is not to be performed within one year from the date of making the agreement;

(7) a promise or agreement to pay a commission for the sale or purchase of:

(A) an oil or gas mining lease;

(B) an oil or gas royalty;

(C) minerals; or

(D) a mineral interest; and

(8) an agreement, promise, contract, or warranty of cure relating to medical care or results thereof made by a physician or health care

provider as defined in Section 74.001, Civil Practice and Remedies Code. This section shall not apply to pharmacists.

TBCC Section 26.02 provides:

Sec. 26.02. LOAN AGREEMENT MUST BE IN WRITING.

(a) In this section:

(1) "Financial institution" means a state or federally chartered bank, savings bank, savings and loan association, or credit union, a holding company, subsidiary, or affiliate of such an institution, or a lender approved by the United States Secretary of Housing and Urban Development for participation in a mortgage insurance program under the National Housing Act (12 U.S.C. Section 1701 et seq.).

(2) "Loan agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or another thing of value or to otherwise extend credit or make a financial accommodation. The term does not include a promise, promissory note, agreement, undertaking, document, or commitment relating to:

(A) a credit card or charge card; or

(B) an open-end account, as that term is defined by Section 301.002, Finance Code, intended or used primarily for personal, family, or household use.

(b) A loan agreement in which the amount involved in the loan agreement exceeds $50,000 in value is not enforceable unless the agreement is in writing and signed by the party to be bound or by that party's authorized representative.

(c) The rights and obligations of the parties to an agreement subject to Subsection (b) of this section shall be determined solely from the written loan agreement, and any prior oral agreements between the parties are superseded by and merged into the loan agreement.

(d) An agreement subject to Subsection (b) of this section may not be varied by any oral agreements or discussions that occur before or contemporaneously with the execution of the agreement.

(e) In a loan agreement subject to Subsection (b) of this section, the financial institution shall give notice to the debtor or obligor of the provisions of Subsections (b) and (c) of this section. The notice must be in a separate document signed by the debtor or obligor or incorporated into one or more of the documents constituting the loan agreement. The notice must be in type that is boldface, capitalized, underlined, or otherwise set out from surrounding written material so as to be conspicuous. The notice must state substantially the following:

"This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

"There are no unwritten oral agreements between the parties.

_____ _____

"Debtor or Obligor Financial Institution"

(f) If the notice required by Subsection (e) of this section is not given on or before execution of the loan agreement or is not conspicuous, this section does not apply to the loan agreement, but the validity and enforceability of the loan agreement and the rights and obligations of the parties are not impaired or affected.

(g) All financial institutions shall conspicuously post notices that inform borrowers of the provisions of this section. The notices shall be located in such a manner and in places in the institutions so as to fully inform borrowers of the provisions of this section. The Finance Commission of Texas shall prescribe the language of the notice.

APPENDIX M

NOTICE: THIS DOCUMENT CONTAINS SENSITIVE DATA

Cause Number: 096 304437 18
(The Clerk's office will fill in the Cause Number when you file this form.)

Plaintiff: William P. Burch
(Print first and last name of the person filing the lawsuit.)

And

Defendant: • JPMorgan Chase Bank NA; Rushmore Loan SVC LLC; Seterus, Fed Nat Mgt Assoc; Loan Care
(Print first and last name of the person being sued.)

In the ____ Court Number
(check one):
- [x] District Court
- [ ] County Court / County Court at Law
- [ ] Justice Court

Tarrant County, Texas

THOMAS A. WILDER DISTRICT CLERK
FILED TARRANT COUNTY TEXAS
2018 NOV 19 P 3:17

Statement of Inability to Afford Payment of Court Costs or an Appeal Bond

1. Your Information

My full legal name is: William Paul Burch (First Middle Last) My date of birth is: 10 / 05 / 1951 (Month/Day/Year)

My address is: *(Home)* 5947 Waterford Dr.; Grand Prairie, Texas 75052

(Mailing) P. O. Box 201236;Arlington, Texas 76006

My phone number: 817-919-4853 My email: billburch@worldcrestauctions.com

About my **dependents:** "The people who depend on me financially are listed below.

	Name	Age	Relationship to Me
1	Juanita Burch	64	Wife
2	Paul Burch	38	Son
3			
4			
5			
6			

2. Are you represented by Legal Aid?

- [ ] I am being represented in this case for free by an attorney who works for a legal aid provider or who received my case through a legal aid provider. I have attached the certificate the legal aid provider gave me as 'Exhibit: Legal Aid Certificate.

-or-

- [ ] I asked a legal-aid provider to represent me, and the provider determined that I am financially eligible for representation, but the provider could not take my case. I have attached documentation from legal aid stating this.

or-

- [x] I am not represented by legal aid. I did not apply for representation by legal aid.

3. Do you receive public benefits?

- [x] I do not receive needs-based public benefits. **- or -**
- [ ] I receive these **public benefits/government entitlements** that are based on indigency:

(Check ALL boxes that apply and attach proof to this form, such as a copy of an eligibility form or check.)

- [ ] Food stamps/SNAP [ ] TANF [ ] Medicaid [ ] CHIP [ ] SSI [ ] WIC [ ] AABD
- [ ] Public Housing or Section 8 Housing [ ] Low-Income Energy Assistance [ ] Emergency Assistance
- [ ] Telephone Lifeline [ ] Community Care via DADS [ ] LIS in Medicare ("Extra Help")
- [ ] Needs-based VA Pension [ ] Child Care Assistance under Child Care and Development Block Grant
- [ ] County Assistance, County Health Care, or General Assistance (GA)
- [ ] Other: ____

4. What is your monthly income and income sources?

"I get this monthly income:

$_____ in monthly wages. I work as a _____ (Your job title) for _____ (Your employer).

$_____ in monthly unemployment. I have been unemployed since *(date)* _____.

$_____ in public benefits per month.

$ 957 from other people in my household each month: *(List only if other members contribute to your household income.)*

$ 1283 from ☐ Retirement/Pension ☐ Tips, bonuses ☐ Disability ☐ Worker's Comp
☒ Social Security ☐ Military Housing ☐ Dividends, interest, royalties
☐ Child/spousal support
☐ My spouse's income or income from another member of my household *(If available)*

$_____ from other jobs/sources of income. *(Describe)* _____

$ 2240 is my *total* **monthly** income.

5. What is the value of your property?

"My **property** includes:	**Value***
Cash	$
Bank accounts, other financial assets	
Frost Bank	$ 44.84
	$
	$
Vehicles (cars, boats) *(make and year)*	
Nissan Murano 2017	$ 0
	$
	$
Other property (like jewelry, stocks, land, another house, etc.)	
1713 Enchanted	$ 0
203 Hemlock	$ 0
5947 Waterford; 2511 Gerry Way	$ 0
***Total* value of property** →	$ 44.84

*The value is the amount the item would sell for less the amount you still owe on it, if anything.

6. What are your monthly expenses?

"My **monthly expenses** are:	**Amount**
Rent/house payments/maintenance	$ 1200
Food and household supplies	$ 800
Utilities and telephone	$ 1200
Clothing and laundry	$ 50
Medical and dental expenses	$ 80
Insurance (life, health, auto, etc.)	$
School and child care	$
Transportation, auto repair, gas	$ 750
Child / spousal support	$
Wages withheld by court order	$
Debt payments paid to: *(List)*	$
	$
	$
***Total* Monthly Expenses** →	$ 4080

7. Are there debts or other facts explaining your financial situation?

"My **debts** include: *(List debt and amount owed)* Involuntary Chapter 7, converted from Chapter 11. Properties are those declaired of no value by Chapter 7 Trustee

(If you want the court to consider other facts, such as unusual medical expenses, family emergencies, etc., attach another page to this form labeled "Exhibit: Additional Supporting Facts.") *Check here if you attach another page.* ☐

8. Declaration

I declare under penalty of perjury that the foregoing is true and correct. I further swear:

☒ I cannot afford to pay court costs.

☐ I cannot furnish an appeal bond or pay a cash deposit to appeal a justice court decision.

My name is William Paul Burch. My date of birth is : 10 / 05 / 1951.

My address is 5947 Waterford Dr.; (Street) Grand Prairie, (City) Texas (State) 75052 (Zip Code) Tarrant (Country)

▶ _____ (Signature) signed on 09 / 25 / 2018 (Month/Day/Year) in Tarrant (county name) County, Texas (State)

APPENDIX N

Erie Doctrine

The Erie doctrine is a binding principle where federal courts exercising diversity jurisdiction apply federal procedural law of the Federal Rules of Civil Procedure, but must also apply state substantive law.

Pre-Erie Doctrine:

The Erie doctrine derives from the landmark 1938 U.S. Supreme Court case, Erie Railroad Co. v. Tompkins (1938). The Rules Decision Act of 1789, codified as 28 U.S.C. § 1652, laid the foundation for how federal courts should operate when exercising diversity jurisdiction, and provided that the "laws of the several states" apply in federal court. Prior to Erie, federal courts followed Swift v. Tyson (1842), which interpreted the "laws of the several states" to include only state statutes and local custom, and not the state common law. This meant that federal courts were free to ignore state substantive law established by common law through that state's judiciary when exercising diversity jurisdiction and could apply what they saw as the true general common law. In Swift, for example, the Court disregarded New York commercial law established by the state judicial precedent, and instead saw its role as "express[ing] our own opinion of the true result of the commercial law upon the question." The proper law to apply, the Court believed, "may be truly declared in the languages of Cicero, adopted by Lord Mansfield in Luke v. Lyde [citation omitted], to be in a great measure not the law of a single country only, but of the commercial world." This reasoning reflects the view that there was one true and accurate body of laws that can be ascertained regardless of a polity's laws, i.e. natural law.

Erie Railroad Co. v. Tompkins:

The U.S. Supreme Court in Erie Railroad Co. v. Tompkins, is an opinion by Justice Brandeis, departed from Swift and held that the language in the Rules Decision Act stating that federal courts when exercising diversity jurisdiction shall apply the "laws of the several states" includes state common law. Specifically, in Erie, Tompkins lost his arm while walking on a footpath alongside a railroad track when a train car's door came loose and injured him. Under Pennsylvania state common law, Tompkins was a trespasser on the railroad's property and could not recover,

but under the general common law he was not a trespasser and could recover. The Court refused to apply the general common law, stating "there is no federal general common law," and instead applied the law of the state where the injury occurred to deny Tompkins' recovery.

In denying that federal courts can apply federal common law, Justice Brandeis largely focused on the policy impact of allowing federal courts to apply federal common law in diversity cases. For one, it encouraged forum shopping, because, since federal and state courts applied different laws, diverse plaintiffs could select which law was more favorable to their claim. This also led to unequal administration of the law, because diverse citizens could remove state actions to federal court and potentially take advantage of more favorable laws, thus disadvantaging litigants suing in their home state. Furthermore, Justice Brandeis found constitutional issues with federal courts applying federal common law. First, it offended federalism, as the judiciary should not have the power to essentially create substantive law since Congress cannot even create substantive law in the circumstances where the judiciary applied general common law. It also offended principles of separation of power, as Congress is the branch tasked with making law, and the judiciary usurped lawmaking power by applying federal common law as they saw fit. In general, Brandeis's opinion signals a shift from federal courts shifting from applying natural law to adopting a perspective of legal realism.

Post-Erie Doctrine:

While the principle that federal courts must apply the substantive law of the state where they are located is relatively straightforward, the delineation of substantive law and procedural law is hardly so simple and presented post-Erie courts with many challenges. An early case, Sibbach v. Wilson, ruled that a court ordering a medical examination under the Federal Rules of Civil Procedure was truly procedural, finding that it fell under the "judicial process for enforcing rights and duties recognized by substantive law, and for justly administering remedy and redress for disregard or infraction of them." Later cases focused on whether the law has the potential to determine the outcome of the litigation. For example, in Guaranty Trust Co. v. York, the U.S. Supreme Court was concerned with whether ignoring a state statute of limitations would significantly alter the outcome of litigation and held that statutes of limitations are substantive law. Specifically, the Court stated that "[t]he outcome of the litigation in the federal court should be substantially the same. . . as it would be if tried in a State court." Subsequent courts

have narrowed this analysis, focusing on whether applying federal procedural law to an issue would determine the outcome in light of its potential impact on forum shopping and inequitable administration of the laws—i.e. the aims of the Erie Doctrine. In Hanna v. Plumer, the U.S. Supreme Court ruled that the federal rules of service trumped the state's requirement of in-hand service for the type of claim because the federal rule in question was arguably procedural and the federal service rule would not have affected the forum choice ex ante.

APPENDIX O

Cause Number 096-304437-18

WILLIAM PAUL BURCH VS FREEDOM MORTGAGE CORPORATION, ET AL

OFFICER'S RETURN

Received this Citation By Certified Mail on the 26th day of November, 2018 at 3:13 PM ; and executed at B/S REG AGENT-CT CORPORAITON SYSTEM 1999 BRYAN ST STE 900 DALLAS TX 75201

within the county of _____ State of TX on the 4th day of December, 2018 by mailing to the within named SETERUS INC a true copy of this Citation By Certified Mail together with the accompanying copy of:

PLAINTIFF'S ORIGINAL PETITION REQUEST FOR JURY TRIAL AND REQUEST FOR DISCLOSURE

FILED
TARRANT COUNTY
2018 DEC 19 AM 8:4
THOMAS A. WILDER
DISTRICT CLERK

Authorized Person/Constable/Sheriff: Thomas A. Wilder
100 N CALHOUN
FORT WORTH TX 76196-0402

County of Tarrant, State of Texas

By _____ Deputy

Fees $ 75.00 SONYA BROWN

(Must be verified if served outside the State of Texas)

State of _____ County of _____

Signed and sworn to by the said _____ before me this _____

to certify which witness my hand and seal of office

(Seal)

_____

County of Tarrant, State of Texas

09630443718000005

THE STATE OF TEXAS
DISTRICT COURT, TARRANT COUNTY

ORIGINAL

CITATION *Cause No. 096-304437-18*

WILLIAM PAUL BURCH
VS.
FREEDOM MORTGAGE CORPORATION, ET AL

TO: SETERUS INC

B/S REG AGENT-CT CORPORAITON SYSTEM 1999 BRYAN ST STE 900 DALLAS, TX 75201-

THOMAS A WILDER
DISTRICT CLERK
FILED
TARRANT COUNTY
2018 DEC 19 AM 8:47

You said DEFENDANT are hereby commanded to appear by filing a written answer to the PLAINTIFF'S ORIGINAL PETITION, REQUEST FOR JURY TRIAL AND REQUEST FOR DISCLOSURE at or before 10 o'clock A.M. of the Monday next after the expiration of 20 days after the date of service hereof before the 96th District Court in and for Tarrant County, Texas, at the Courthouse in the City of Fort Worth, Tarrant County, Texas said PLAINTIFF being

WILLIAM PAUL BURCH

Filed in said Court on November 19th, 2018 Against
FREEDOM MORTGAGE CORPORATION, JPMORGAN CHASE BANK NA, RUSHMORE LOAN MANAGEMENT SERVICES, SETERUS INC, FEDERAL NATIONAL MANAGEMENT ASSOCIATION, LOAN CARE SERVICING CENTER
For suit, said suit being numbered 096-304437-18 the nature of which demand is as shown on said PLAINTIFF'S ORIGINAL PETITION, REQUEST FOR JURY TRIAL AND REQUEST FOR DISCLOSURE a copy of which accompanies this citation.

PRO SE
Attorney for WILLIAM PAUL BURCH Phone No. (817)919-4853
Address 5947 WATERFORD DR GRAND PRAIRIE, TX 75052

Thomas A. Wilder, Clerk of the District Court of Tarrant County, Texas. Given under my hand and the seal of said Court, at office in the City of Fort Worth, this the 26th day of November, 2018.

By _____ Deputy
JENNIE THOMAS

NOTICE: You have been sued. You may employ an attorney. If you or your attorney do not file a written answer with the clerk who issued this citation by 10:00 AM. on the Monday next following the expiration of twenty days after you were served this citation and petition, a default judgment may be taken against you.

Thomas A. Wilder, Tarrant County District Clerk, 100 N CALHOUN, FORT WORTH TX 76196-0402

OFFICER'S RETURN *09630443718000005*

Received this Citation on the _____ day of _____, _____ at _____ o'clock ___M; and executed at _____ within the county of _____, State of _____ at _____ o'clock ___M on the _____ day of _____, _____ by mailing to the within named _____

a true copy of this Citation together with the accompanying copy of PLAINTIFF'S ORIGINAL PETITION, REQUEST FOR JURY TRIAL AND REQUEST FOR DISCLOSURE having first endorsed on same the date of delivery.

Deputy/Constable/Sheriff: _____

County of _____ State of _____ By _____ Deputy

Fees $_____

State of _____ County of _____ (Must be verified if served outside the State of Texas)

Signed and sworn to by the said _____ before me this _____ day of _____, ____

to certify which witness my hand and seal of office

(Seal)

_____

County of _____, State of _____

CMRR # 7015 3430 0000 8630 8810

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
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Extra Services & Fees (check box, add fee as appropriate)
- ☐ Return Receipt (hardcopy) $
- ☐ Return Receipt (electronic) $
- ☐ Certified Mail Restricted Delivery $
- ☐ Adult Signature Required $
- ☐ Adult Signature Restricted Delivery $

Postage $ 9.51

Total Postage and Fees $

Sent To SETERUS INC

Street B/S REG AGT-CT CORPORATION SYSTEM
1999 BRYAN ST STE 900

City, State DALLAS, TX 75201

PS Form 096-304437-18 JLT/DP/CM

NOV 27 2018
DALLAS, TX 75260
Postmark Here

7015 3430 0000 8630 8860

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SETERUS INC
B/S REG AGT-CT CORPORATION SYSTEM
1999 BRYAN ST STE 900
DALLAS, TX 75201
096-304437-18 JLT/DP/CM

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) Chris Wells

C. Date of Delivery 12-4-18

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☑ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

9590 9401 0016 5168 7541 78

2. Article Number (Transfer from service label)
7015 3430 0000 8630 8860

Restricted Delivery

PS Form 3811, April 2015 PSN 7530-02-000-9053 Domestic Return Receipt

FILED
TARRANT COUNTY
2018 DEC 19 AM 8:47
THOMAS A. WILDER
DISTRICT CLERK

CITATION

Cause No. 096-304437-18

WILLIAM PAUL BURCH

VS.

FREEDOM MORTGAGE CORPORATION, ET AL

ISSUED

This 26th day of November, 2018

Thomas A. Wilder
Tarrant County District Clerk
100 N CALHOUN
FORT WORTH TX 76196-0402

By JENNIE THOMAS Deputy

PRO SE
Name: WILLIAM PAUL BURCH
(817)919-4853
Address: 5947 WATERFORD DR

GRAND PRAIRIE, TX 75052

CIVIL LAW

09630443718000005

ORIGINAL

APPENDIX P

28 U.S. Code § 1446 - Procedure for removal of civil actions

(a) Generally. —
A defendant or defendants desiring to remove any civil action from a State court shall file in the district court of the United States for the district and division within which such action is pending a notice of removal signed pursuant to Rule 11 of the Federal Rules of Civil Procedure and containing a short and plain statement of the grounds for removal, together with a copy of all process, pleadings, and orders served upon such defendant or defendants in such action.
(b) Requirements; Generally. —
(1)
The notice of removal of a civil action or proceeding shall be filed within 30 days after the receipt by the defendant, through service or otherwise, of a copy of the initial pleading setting forth the claim for relief upon which such action or proceeding is based, or within 30 days after the service of summons upon the defendant if such initial pleading has then been filed in court and is not required to be served on the defendant, whichever period is shorter.
(2)
(A)
When a civil action is removed solely under section 1441(a), all defendants who have been properly joined and served must join in or consent to the removal of the action.
(B)
Each defendant shall have 30 days after receipt by or service on that defendant of the initial pleading or summons described in paragraph (1) to file the notice of removal.
(C)
If defendants are served at different times, and a later-served defendant files a notice of removal, any earlier-served defendant may consent to the removal even though that earlier-served defendant did not previously initiate or consent to removal.
(3)
Except as provided in subsection (c), if the case stated by the initial pleading is not removable, a notice of removal may be filed within thirty days after receipt by the defendant, through service or otherwise, of a copy of an amended pleading, motion, order or other paper from which it may first be ascertained that the case is one which is or has become removable.
(c) Requirements; Removal Based on Diversity of Citizenship. —
(1)
A case may not be removed under subsection (b)(3) on the basis of jurisdiction conferred by section 1332 more than 1 year after commencement of the action, unless the district court finds that the plaintiff has acted in bad faith in order to prevent a defendant from removing the action.
(2) If removal of a civil action is sought on the basis of the jurisdiction conferred by section 1332(a), the sum demanded in good faith in the initial pleading shall be deemed to be the amount in controversy, except that—
(A) the notice of removal may assert the amount in controversy if the initial pleading seeks—
(i)
nonmonetary relief; or
(ii)
a money judgment, but the State practice either does not permit demand for a specific sum or permits recovery of damages in excess of the amount demanded; and
(B)

removal of the action is proper on the basis of an amount in controversy asserted under subparagraph (A) if the district court finds, by the preponderance of the evidence, that the amount in controversy exceeds the amount specified in section 1332(a).
(3)
(A)
If the case stated by the initial pleading is not removable solely because the amount in controversy does not exceed the amount specified in section 1332(a), information relating to the amount in controversy in the record of the State proceeding, or in responses to discovery, shall be treated as an "other paper" under subsection (b)(3).
(B)
If the notice of removal is filed more than 1 year after commencement of the action and the district court finds that the plaintiff deliberately failed to disclose the actual amount in controversy to prevent removal, that finding shall be deemed bad faith under paragraph (1).
(d) Notice to Adverse Parties and State Court. —
Promptly after the filing of such notice of removal of a civil action the defendant or defendants shall give written notice thereof to all adverse parties and shall file a copy of the notice with the clerk of such State court, which shall effect the removal and the State court shall proceed no further unless and until the case is remanded.
(e) Counterclaim in 337 Proceeding. —
With respect to any counterclaim removed to a district court pursuant to section 337(c) of the Tariff Act of 1930, the district court shall resolve such counterclaim in the same manner as an original complaint under the Federal Rules of Civil Procedure, except that the payment of a filing fee shall not be required in such cases and the counterclaim shall relate back to the date of the original complaint in the proceeding before the International Trade Commission under section 337 of that Act.
(g)
[1] Where the civil action or criminal prosecution that is removable under section 1442(a) is a proceeding in which a judicial order for testimony or documents is sought or issued or sought to be enforced, the 30-day requirement of subsection (b) of this section and paragraph (1) of section 1455(b) is satisfied if the person or entity desiring to remove the proceeding files the notice of removal not later than 30 days after receiving, through service, notice of any such proceeding.

APPENDIX Q

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF TEXAS

MISCELLANEOUS ORDER NO. 33

ORDER OF REFERENCE OF BANKRUPTCY CASES

AND PROCEEDINGS NUNC PRO TUNC

Pursuant to Section 104 of the Bankruptcy Amendments and Federal Judgeship Act of 1984, 28 U.S.C. Section 157, it is hereby

ORDERED nunc pro tunc as of June 27, 1984 that any or all cases under Title 11 and any or all proceedings arising under Title 11 or arising in or related to a case under Title 11 which were pending in the Bankruptcy Court of the Northern District of Texas on June 27, 1984, which have been filed in this district since that date and which may be filed herein hereafter (except those cases and proceedings now pending on appeal) be and they hereby are referred to the Bankruptcy Judges of this district for consideration and resolution consistent with law.

It is further ORDERED that the Bankruptcy Judges for the Northern District of Texas be, and they hereby are, directed to exercise the authority and responsibilities conferred upon them as Bankruptcy Judges by the Bankruptcy Amendments and Federal Judgeship Act of 1984 and this court's order of reference, as to all cases and proceedings covered by this order from and after June 27, 1984.

In accordance with 28 U.S.C. Section 157(b)(5), it is further ORDERED that all personal injury tort and wrongful death claims arising in or related to a case under Title 11 pending in this court shall be tried in, or as determined by, this court and shall not be referred by this order.

So ORDERED this the 3rd day of August, 1984.

HALBERT O. WOODWARD
Chief Judge
Northern District of Texas

APPENDIX R

Rule 9027. Removal

(a) Notice of Removal.

(1) Where Filed; Form and Content. A notice of removal shall be filed with the clerk for the district and division within which is located the state or federal court where the civil action is pending. The notice shall be signed pursuant to Rule 9011 and contain a short and plain statement of the facts which entitle the party filing the notice to remove, contain a statement that upon removal of the claim or cause of action the party filing the notice does or does not consent to entry of final orders or judgment by the bankruptcy court, and be accompanied by a copy of all process and pleadings.

(2) Time for Filing; Civil Action Initiated Before Commencement of the Case Under the Code. If the claim or cause of action in a civil action is pending when a case under the Code is commenced, a notice of removal may be filed only within the longest of (A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under §362 of the Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

(3) Time for filing; civil action initiated after commencement of the case under the Code. If a claim or cause of action is asserted in another court after the commencement of a case under the Code, a notice of removal may be filed with the clerk only within the shorter of (A) 30 days after receipt, through service or otherwise, of a copy of the initial pleading setting forth the claim or cause of action sought to be removed, or (B) 30 days after receipt of the summons if the initial pleading has been filed with the court but not served with the summons.

(b) Notice. Promptly after filing the notice of removal, the party filing the notice shall serve a copy of it on all parties to the removed claim or cause of action.

(c) Filing in Non-Bankruptcy Court. Promptly after filing the notice of removal, the party filing the notice shall file a copy of it with the clerk of the court from which the claim or cause of action is removed. Removal of the claim or cause of action is effected on such filing of a copy of the notice of removal. The parties shall proceed no further in that court unless and until the claim or cause of action is remanded.

(d) Remand. A motion for remand of the removed claim or cause of action shall be governed by Rule 9014 and served on the parties to the removed claim or cause of action.

(e) Procedure After Removal.

(1) After removal of a claim or cause of action to a district court the district court or, if the case under the Code has been referred to a bankruptcy judge of the district, the bankruptcy judge, may issue all necessary orders and process to bring before it all proper parties whether served by process issued by the court from which the claim or cause of action was removed or otherwise.

(2) The district court or, if the case under the Code has been referred to a bankruptcy judge of the district, the bankruptcy judge, may require the party filing the notice of removal to file with the clerk copies of all records and proceedings relating to the claim or cause of action in the court from which the claim or cause of action was removed.

(3) Any party who has filed a pleading in connection with the removed claim or cause of action, other than the party filing the notice of removal, shall file a statement that the party does or does not consent to entry of final orders or judgment by the bankruptcy court. A statement required by this paragraph shall be signed pursuant to Rule 9011 and shall be filed not later than 14 days after the filing of the notice of removal. Any party who files a statement pursuant to this paragraph shall mail a copy to every other party to the removed claim or cause of action.

(f) Process After Removal. If one or more of the defendants has not been served with process, the service has not been perfected prior to removal, or the process served proves to be defective, such process or service may be completed or new process issued pursuant to Part VII of these rules. This subdivision shall not deprive any defendant on whom process is served after removal of the defendant's right to move to remand the case.

(g) Applicability of Part VII. The rules of Part VII apply to a claim or cause of action removed to a district court from a federal or state court and govern procedure after removal. Repleading is not necessary unless the court so orders. In a removed action in which the defendant has not answered, the defendant shall answer or present the other defenses or objections available under the rules of Part VII within 21 days following the receipt through service or otherwise of a copy of the initial pleading setting forth the claim for relief on which the action or proceeding is based, or within 21 days following the service of summons on such initial pleading, or within seven days following the filing of the notice of removal, whichever period is longest.

(h) Record Supplied. When a party is entitled to copies of the records and proceedings in any civil action or proceeding in a federal or a state court, to be used in the removed civil action or proceeding, and the clerk of the federal or state court, on demand accompanied by payment or tender of the lawful fees, fails to deliver certified copies, the court may, on affidavit reciting the facts, direct such record to be supplied by affidavit or otherwise. Thereupon the proceedings, trial and judgment may be had in the court, and all process awarded, as if certified copies had been filed.

(i) Attachment or Sequestration; Securities. When a claim or cause of action is removed to a district court, any attachment or sequestration of property in the court from which the claim or cause of action was removed shall hold the property to answer the final judgment or decree in the same manner as the property would have been held to answer final judgment or decree had it been rendered by the court from which the claim or cause of action was removed. All bonds, undertakings, or security given by either party to the claim or cause of action prior to its removal shall remain valid and effectual notwithstanding such removal. All injunctions issued, orders entered, and other proceedings had prior to removal shall remain in full force and effect until dissolved or modified by the court.

COMMITTEE NOTES ON RULES—2016 AMENDMENT

Subdivisions (a)(1) and (e)(3) are amended to delete the requirement for a statement that the proceeding is core or non-core and to require in all removed actions a statement that the party does or does not consent to the entry of final orders or judgment by the bankruptcy court. Some proceedings that satisfy the statutory definition of core proceedings, 28 U.S.C. § 157(b)(2), may remain beyond the constitutional power of a bankruptcy judge to adjudicate finally. The amended rule calls for a statement regarding consent at the time of removal, whether or not a proceeding is termed non-core.

The party filing the notice of removal must include a statement regarding consent in the notice, and the other parties who have filed pleadings must respond in a separate statement filed within 14 days after removal. If a party to the removed claim or cause of action has not filed a pleading prior to removal, however, there is no need to file a separate statement under subdivision (e)(3), because a statement regarding consent must be included in a responsive pleading filed pursuant to Rule 7012(b). Rule 7016 governs the bankruptcy court's decision whether to hear and determine the proceeding, issue proposed findings of fact and conclusions of law, or take some other action in the proceeding.

APPENDIX S

28 U.S. Code § 157

Procedures

(a) Each district court may provide that any or all cases under title 11 and any or all proceedings arising under title 11 or arising in or related to a case under title 11 shall be referred to the bankruptcy judges for the district.

(b)

(1) Bankruptcy judges may hear and determine all cases under title 11 and all core proceedings arising under title 11, or arising in a case under title 11, referred under subsection (a) of this section, and may enter appropriate orders and judgments, subject to review under section 158 of this title.

(2) Core proceedings include, but are not limited to—

- **(A)** matters concerning the administration of the estate;
- **(B)** allowance or disallowance of claims against the estate or exemptions from property of the estate, and estimation of claims or interests for the purposes of confirming a plan under chapter 11, 12, or 13 of title 11 but not the liquidation or estimation of contingent or unliquidated personal injury tort or wrongful death claims against the estate for purposes of distribution in a case under title 11;
- **(C)** counterclaims by the estate against persons filing claims against the estate;
- **(D)** orders in respect to obtaining credit;
- **(E)** orders to turn over property of the estate;
- **(F)** proceedings to determine, avoid, or recover preferences;
- **(G)** motions to terminate, annul, or modify the automatic stay;
- **(H)** proceedings to determine, avoid, or recover fraudulent conveyances;
- **(I)** determinations as to the dischargeability of particular debts;
- **(J)** objections to discharges;
- **(K)** determinations of the validity, extent, or priority of liens;
- **(L)** confirmations of plans;
- **(M)** orders approving the use or lease of property, including the use of cash collateral;
- **(N)** orders approving the sale of property other than property resulting from claims brought by the estate against persons who have not filed claims against the estate;

(O) other proceedings affecting the liquidation of the assets of the estate or the adjustment of the debtor-creditor or the equity security holder relationship, except personal injury tort or wrongful death claims; and

(P) recognition of foreign proceedings and other matters under chapter 15 of title 11.

(3) The bankruptcy judge shall determine, on the judge's own motion or on timely motion of a party, whether a proceeding is a core proceeding under this subsection or is a proceeding that is otherwise related to a case under title 11. A determination that a proceeding is not a core proceeding shall not be made solely on the basis that its resolution may be affected by State law.

(4) Non-core proceedings under section 157(b)(2)(B) of title 28, United States Code, shall not be subject to the mandatory abstention provisions of section 1334(c)(2).

(5) The district court shall order that personal injury tort and wrongful death claims shall be tried in the district court in which the bankruptcy case is pending, or in the district court in the district in which the claim arose, as determined by the district court in which the bankruptcy case is pending.

(c)

(1) A bankruptcy judge may hear a proceeding that is not a core proceeding but that is otherwise related to a case under title 11. In such proceeding, the bankruptcy judge shall submit proposed findings of fact and conclusions of law to the district court, and any final order or judgment shall be entered by the district judge after considering the bankruptcy judge's proposed findings and conclusions and after reviewing de novo those matters to which any party has timely and specifically objected.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, the district court, with the consent of all the parties to the proceeding, may refer a proceeding related to a case under title 11 to a bankruptcy judge to hear and determine and to enter appropriate orders and judgments, subject to review under section 158 of this title.

(d) The district court may withdraw, in whole or in part, any case or proceeding referred under this section, on its own motion or on timely motion of any party, for cause shown. The district court shall, on timely motion of a party, so withdraw a proceeding if the court determines that resolution of the proceeding requires consideration of both title 11 and other laws of the United States regulating organizations or activities affecting interstate commerce.

(e) If the right to a jury trial applies in a proceeding that may be heard under this section by a bankruptcy judge, the bankruptcy judge may

conduct the jury trial if specially designated to exercise such jurisdiction by the district court and with the express consent of all the parties.

APPENDIX T

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Attorney for Debtor

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE:	}	CASE NO. 12-46959-MXM
	}	
WILLIAM PAUL BURCH	}	
	}	CHAPTER 11
DEBTOR	}	

WILLIAM PAUL BURCHS' AMENDED PLAN OF REORGANIZATION

SUMMARY

This Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of William Paul Burch, (the "Debtor") through several sources, including cash on hand and future income from Debtors business.

This plan provides for thirteen classes of secured claims and one class of unsecured claims. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately twenty-five cents on the dollar. This Plan also provides for the payment of administrative and priority claims.

A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holder has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

DEFINITIONS AND INTERPRETATION

"Administrative Claim" means a Claim for any cost or expense of administration of the Bankruptcy Case under section 503(b) of the Bankruptcy Code,

including, without limitation, any fees or charges assessed against the Estate pursuant to 28 U.S.C. § 1930, and further including a Professional Claim.

"Administrative Claims Bar Date" means the day that is thirty (30) days after the Effective Date.

"Administrative Tax Claim" means a Claim of an ad valorem taxing authority against the Debtors, Estate, or property of either, solely on account of year 2010 or later taxes. The term excludes any Claim for ad valorem taxes for any year prior to the year 2010, including any such Claim that became payable no later than January 30, 2010 without interest.

"Allowed" as it relates to any type of Claim provided for under the Plan, means a Claim: (i) which has been scheduled as undisputed, non-contingent and liquidated in the Schedules in an amount other than zero or unknown, and as to which: (a) no proof of Claim has been timely filed, and (b) no objection has been timely filed (as determined by applicable deadlines contained in the Plan, including the Claims Objection Deadline); (ii) as to which a proof of Claim has been timely filed and either: (a) no objection thereto has been timely filed (as determined by applicable deadlines contained in the Plan, including the Claims Objection Deadline), or (b) such Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court; (iii) which has been expressly allowed under the provisions of the Plan; or (iv) which has been expressly allowed by Final Order of the Bankruptcy Court.

"Allowed Administrative Claim" means: (i) an Administrative Claim that has been Allowed (but only to the extent Allowed), if approval from the Bankruptcy Court is required in order to Allow same; and (ii) an Administrative Claim which: (a) is incurred by the Debtors after the Petition Date in the ordinary course of business operations or pursuant to an order entered by the Bankruptcy Court granting automatic Administrative Claim status; (b) is not disputed by the Debtors or the Reorganized Debtors; and (c) does not require approval from the Bankruptcy Court to become Allowed.

"Allowed Priority Claim" means a Priority Claim that has been Allowed (but only to the extent Allowed).

"Allowed Secured Claim" means a Secured Claim that has been Allowed (but only to the extent Allowed).

"Allowed Unsecured Claim" means an Unsecured Claim that has been Allowed (but only to the extent Allowed).

"Avoidance Actions" means any and all rights, claims or actions which the Debtors may assert on behalf of the Estate under chapter 5 of the Bankruptcy Code, including actions under one or more provisions of sections 542, 544, 545, 546, 547, 548, 549, 550, 551 and/or 553 of the Bankruptcy Code, except to the extent that any such rights, claims, or actions are released or waived in the Plan.

"Ballot" means the ballot, the form of which has been approved by the Bankruptcy Court, accompanying the Disclosure Statement provided to each holder of a Claim entitled to vote to accept or reject the Plan.

"Bankruptcy Case" means the bankruptcy case of the Debtors, pending in the Bankruptcy Court under Case Number 13-42587-dml.

"Bankruptcy Code" means 11 U.S.C. §§ 101, et. seq., in effect as of the Petition Dates and as may have been or may be amended or supplemented since, to the extent that any such amendment or supplement is automatically applicable to the Bankruptcy Case by operation of law and not by operation of any election or choice.

"Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division or, if such court ceases to exercise jurisdiction, the court or adjunct thereof that exercises jurisdiction over the Bankruptcy Case.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, together with the local bankruptcy rules for the Bankruptcy Court as now in effect or as the same may from time to time hereafter be amended.

"Bar Date" means, with respect to each of the Debtors, the date(s) set by the Bankruptcy Court as the deadline for timely filing proofs of claim against the Debtors, including any such date(s) applicable to the timely filing of an Unsecured Claim and governmental Claim.

"Business Day" means any day which is not a Saturday, a Sunday, or a "legal holiday" within the meaning of Bankruptcy Rule 9006(a).

"Claim" means a claim against the Debtors, the Estate of the Debtors as such term is otherwise defined in section 101(5) of the Bankruptcy Code, arising prior to the Effective Date.

"Claims Objection Deadline" means the date by which parties authorized by the Plan may file any objection to a Claim, which date shall be sixty (60) days after the Effective Date, except with respect to Administrative Claims as otherwise provided for herein.

"Class" means one of the categories of Claims established under Article II of the Plan.

"Confirmation Date" means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on its docket.

"Confirmation Hearing" means the hearing(s) before the Bankruptcy Court

pursuant to section 1128 of the Bankruptcy Code to consider confirmation of the Plan, as such hearing(s) may be continued, rescheduled or delayed.

"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, as such order may be amended, modified, or supplemented.

"Convenience Claim" is an Unsecured Claim, otherwise subject to becoming Allowed as provided for in the Plan, either: (i) scheduled or filed in an amount of $500 or less; or (ii) as to which the holder thereof affirmatively elects, on the Ballot it votes on the Plan, to reduce its Unsecured Claim to the amount of $500.

"Creditor" means the holder of any Claim entitled to distributions with respect to such Claim.

"Cure Claim" shall refer to the payment or other performance required to cure any existing default under an Executory Contract in accordance with section 365 of the Bankruptcy Code.

"Disallowed Claim" means, as it relates to any type of Claim provided for under the Plan, a Claim or portion thereof that: (i) has been disallowed by a Final Order of the Bankruptcy Court; (ii) is identified in the Schedules in an amount of zero dollars, unknown dollars, or as contingent, unliquidated, and/or disputed, and as to which a proof of Claim was not filed by the Bar Date; or (iii) is not identified in the Schedules and as to which no proof of Claim has been filed or deemed filed by the Bar Date, if the filing of such proof of Claim is otherwise required.

"Disclosure Statement" means the Disclosure Statement with respect to this Plan, approved by the Bankruptcy Court as containing adequate information for the purpose of dissemination and solicitation of votes on confirmation of the Plan, or as it may be altered, amended or modified from time to time in accordance with sections 1125, 1126(b) and 1145 of the Bankruptcy Code and Bankruptcy Rule 3018.

"Disputed Claim" means any Claim or any portion thereof which is neither Allowed nor is a Disallowed Claim as of the close of the Claims Objection Deadline. In the event that any part of a Claim is a Disputed Claim, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under the Plan unless the party responsible for the payment thereof, the objecting party, and the holder thereof agree otherwise or unless otherwise ordered by the Bankruptcy Court; provided, however, that nothing in this definition of "Disputed Claim" is intended to or does impair the rights of the Debtors or of any holder of a Disputed Claim to pursue its rights under section 502(c) of the Bankruptcy Code. Without limiting any of the foregoing, but subject to the provisions of the Plan, a Claim that is the subject of a pending application, motion, complaint, objection, or any other legal proceeding seeking to disallow, limit, subordinate, or estimate such Claim, as of the Claims Objection Deadline, shall be a Disputed Claim unless and until the entry of a Final Order

providing otherwise.

"Effective Date" means the first Business Day fourteen (14) days after the entry of the Confirmation Order, if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay, and upon which the conditions to the effectiveness of the Plan, as provided for in the Plan, are satisfied.

"Estate" means the estate created for the Debtors pursuant to section 541 of the Bankruptcy Code and any other applicable provision thereof. Estate refers to the Debtors estate prior to the Effective Date.

"Executory Contract" means, collectively, "executory contracts" and "unexpired leases" of the Debtors as of the Petition Date as such terms are used within section 365 of the Bankruptcy Code.

"Final Decree" means the final decree entered by the Bankruptcy Court on or after the Effective Date pursuant to Bankruptcy Rule 3022.

"Final Order" means a judgment, order, ruling, or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other tribunal having jurisdiction over the subject matter thereof which judgment, order, ruling, or other decree has not been reversed, stayed, modified, or amended and as to which: (i) the time to appeal or petition for review, rehearing or certiorari has expired and as to which no appeal or petition for review, rehearing or certiorari is pending; or (ii) any appeal or petition for review, rehearing or certiorari has been finally decided and no further appeal or petition for review, rehearing or certiorari can be taken or granted.

"Governmental Unit" means a governmental unit as such term is defined in section 101(27) of the Bankruptcy Code.

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, joint ventures, trusts, land trusts, business trusts, unincorporated organizations, or other legal entities, irrespective of whether they are governments, agencies or political subdivisions thereof.

"Petition Date" means, with respect to any Debtors, the date on which such Debtors filed their respective Bankruptcy Case.

"Plan" means the Debtors Plan of Reorganization, either in its present form or as it may be altered, amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules, and all exhibits hereto.

"Post Petition Fees Claim" means, with respect to any Secured Claim, the amount, other than for post petition interest, allowed by the Bankruptcy Court on account of the Secured Claim under section 506(b) of the Bankruptcy Code, which shall

be governed as follows: (a) no later than twenty (20) days after the Effective Date, the holder of the Secured Claim may file an application with the Bankruptcy Court for the allowance of the same, and shall serve the same as otherwise appropriate; (b) if said application is not timely filed, such Post Petition Fees Claim shall be zero, without prejudice to any other Claim or right of the holder thereof; (iii) said application shall contain negative notice language informing all parties that any objection thereto must be filed, and served as otherwise appropriate, no later than twenty (20) days after service of the application; (iv) if no objection thereto is timely filed and served as otherwise appropriate, said application shall be automatically allowed by the Bankruptcy Court without need for any order therefrom, and the Post petition Fees Claim shall be the amount identified in said application; and (v) if an objection to said application is timely filed and served, the Bankruptcy Court shall determine the amount of the Post Petition Fees Claim as is otherwise appropriate

"Priority Claim" means a Claim entitled to priority in payment under section 507(a) of the Bankruptcy Code, excluding any Claim that is an Administrative Claim.

"Professional" means any Person employed or to be compensated pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

"Professional Claim" means a Claim by a Professional for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Bankruptcy Case.

"Reelection Claim" means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any Executory Contract.

"Reorganized Debtors" means the Debtors after the Effective Date.

"Schedules" means the Schedules of Assets and Liabilities and the Statements of Financial Affairs filed by the Debtors with the clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

"Secured Claim" means a Claim that is alleged to be secured, in whole or in part, (i) by a lien against an asset of the Debtors or the Estate to the extent such lien is valid, perfected and enforceable under applicable non-bankruptcy law and is not subject to avoidance or subordination under the Bankruptcy Code or applicable non-bankruptcy law, but only to the extent that such Claim is secured within the meaning of section 506(a) of the Bankruptcy Code; or (ii) as a result of rights of setoff under section 553 of the Bankruptcy Code.

"Secured Tax Claim" means a Claim of a Governmental Unit for the payment of ad valorem taxes that is secured by property of the Debtors or the Estate, but that is not an Administrative Tax Claim.

"Unsecured Claim" means any alleged Claim against one or both of the Debtors that is not secured by a valid, enforceable, and unavoidable lien against any asset of the Debtors or the Estate, but excluding any Administrative Claim, Priority Claim, Secured Claim, but including a Secured Claim to the extent not an Allowed Secured Claim but otherwise an Allowed Claim.

"Voting Deadline" means the period established by the Bankruptcy Court within which Ballots may be cast on the Plan.

CLASSIFICATION OF CLAIMS AND INTERESTS

The Plan separates Claims against the Debtor, the Estate, and their property into Unclassified Claims and classified Claims.

Unclassified Claims are generally post-petition Claims which must be paid in full and which do not vote on the Plan, and consist of the following: (i) Allowed Administrative Claims; (ii) the Comptroller Claim, to the extent Allowed; and (iii) Allowed Administrative Tax Claims.

Classified Claims and Interests are classified in the Plan under the provisions of section 1122 of the Bankruptcy Code into following fourteen (14) separate Classes:

(1)JPMorgan Chase Bank;
(2) Specialized Loan Servicing, LLC;
(3) Deutsche;
(4)Specialized Loan Servicing LLC;
(5) Wells Fargo;
(6)Freedom Mortgage;
(7) Bosco Credit II Trust Series 2010-1;
(8)American Home Mortgage;
(9) Seterus, Inc.;
(10) Litton Loan Servicing;
(11) Nationstar;
(12) Secured Tax Claims;
(13) Internal Revenue Service;
(14) General Unsecured Claims;

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, U.S. TRUSTEE FEES, AND PRIORITY TAX CLAIMS

Unclassified Claims

Under section § 1123(a)(1), administrative expense claims, and priority tax claims

are not in classes.

Administrative Expense Claims

Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article XI), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

The U.S. Trustee is not required by this Plan to file an application with the Court for approval of administrative claims.

Steve Stasio, Counsel for William Paul Burch in this matter intends to make application to the Court for approval of the fees he has incurred in representing the Debtor in this Chapter 11 case. The amount of those fees is subject to Court approval buy they are expected to be less than $10,000.00. Fees for the services of Steve Stasio that are approved by the Court will be paid directly to Steve Stasio by the Debtor.

United States Trustee Fees

All fees required to be paid by 28 U.S.C. § 1930(a)(6) ("U.S. Trustee Fees") will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date. The Debtor will file with the Court and serve on the U.S. Trustee post-confirmation quarterly operating reports until the case is closed, dismissed or converted to another chapter under the Code.

PROVISIONS FOR THE TREATMENT OF CLASSIFIED CLAIMS; IDENTIFICATION OF IMPAIRED CLASSES

1. Secured claims

JPMorgan Chase Bank, N.A. filed the following secured claims:

Class	Claim No.	Collateral	Amount of claim
1	3	707 N. Hunters Glen	$9,668.20

Class	Claim No.	Collateral	Amount of claim
1	4	2809 Harvest Lake	$17,576.64

Class	Claim No.	Collateral	Amount of claim

1	5	1937 Bolingbroke Ct	$15,769.94

Class	Claim No.	Collateral	Amount of claim
1	6	3007 Sunnybrook	$20,663.83

All of the above claims were included in Debtors prior confirmed Chapter 11 Plan. The claims were treated as unsecured as there was no equity in the properties subject to the liens.

In this bankruptcy case JPMorgan Chase Bank, N.A. filed a proof of claim in which it alleges a lien on 707 N. Hunters Glen, Arlington, Tarrant County, Texas. This property has a current value of $70,300.00. The JPMorgan Chase Bank, N.A. lien is inferior to the lien for unpaid property taxes and the first mortgage. The amount owed on the property taxes and first lien mortgage exceed $95,000.00. There is no equity in the collateral to treat this claim as a secured claim. The claim is an unsecured debt and will be treated in this plan as a Class 14 general unsecured claim.

In this bankruptcy case JPMorgan Chase Bank, N.A. filed a proof of claim in which it alleges a lien on 2809 Harvest Lake, Irving, Dallas County, Texas. This property has a current value of $86,250.00. The JPMorgan Chase Bank, N.A. lien is inferior to the lien for unpaid property taxes and the first mortgage. The amount owed on the property taxes and first lien mortgage exceed $108,000.00. There is no equity in the collateral to treat this claim as a secured claim. The claim is an unsecured debt and will be treated in this plan as a Class 14 general unsecured claim.

In this bankruptcy case JPMorgan Chase Bank, N.A. filed a proof of claim in which it alleges a lien on 1937 Bolingbroke, Fort Worth, Tarrant County, Texas. This property has a current value of $75,700.00. The JPMorgan Chase Bank, N.A. lien is inferior to the lien for unpaid property taxes and the first mortgage. The amount owed on the property taxes and first lien mortgage exceed $75,700.00. There is no equity in the collateral to treat this claim as a secured claim. The claim is an unsecured debt and will be treated in this plan as a Class 14 general unsecured claim.

In this bankruptcy case JPMorgan Chase Bank, N.A. filed a proof of claim in which it alleges a lien on 3007 Sunnybrook, Arlington, Tarrant County, Texas. This property has a current value of $88,000.00. The JPMorgan Chase Bank, N.A. lien is inferior to the lien for unpaid property taxes and the first mortgage. The amount owed on the property taxes and first lien mortgage exceed $88,000.00. There is no equity in the collateral to treat this claim as a secured claim. The claim is an unsecured debt and will be treated in this plan as a Class 14 general unsecured claim.

America's Servicing Company filed the following secured claims:

Class	Claim No.	Collateral	Amount of claim
2	16	2809 Harvest Lake	$108,583.39

Class	Claim No.	Collateral	Amount of claim
2	17	707 Hunters Glen	$91,507.33

Class	Claim No.	Collateral	Amount of claim
2	15	1937 Bolingbroke	$90,506.34

Class	Claim No.	Collateral	Amount of claim
2	18	503 W. 8th Street	$43,319.47

The Class 2 Allowed Secured Claim of Specialized Loan Servicing LLC (hereinafter "SLS"), on the Effective Date, the property located at 2809 Harvest Lake Drive, Irving, Texas 75060 (the "Harvest Lake Property") shall be surrendered to the holder of the Class 2 Allowed Secured Claim and shall be deemed paid in full. Upon the Effective Date the automatic stay shall lift without further order of this Court to allow SLS, or its assigns or successors in interest, to take any and all steps necessary to exercise any and all rights it may have in the Harvest Lake Property.

The Class 2 Allowed Secured Claim of Specialized Loan Servicing LLC (hereinafter "SLS") shall retain its lien on the property located at 707 N. Hunters Glen Circle, Arlington, Texas 76015 (the "Hunters Glen Property"). Debtor shall retain the Hunters Glen Property by paying the sum of $101,000.00 with four and one-half percent (4.5%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month after the effective date of the Plan. Debtor is required to pay the ad valorem property taxes on the Hunters Glen Property direct when they come due. Failure to pay the ad valorem taxes will result in a default under the plan if not cured within 15 days. Debtor shall also maintain insurance on the Hunters Glen Property with SLS listed as the loss payee. SLS shall retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

Within six months from the effective date of the plan Debtor shall sell the property located at 1937 Bolingbroke Court, Fort Worth, Tarrant County, Texas subject to the lien and pay America's Servicing Company the sum of $58,960.00. Any proceeds from the sale that exceed the amount paid to the mortgage company, less the closing costs and property taxes shall be paid to Debtor to compensate Debtor for repairs, stating costs, marketing of the property and other miscellaneous expenses.

If the property is not sold within six months of the effective date of the plan the mortgage company shall be allowed to take all actions necessary to foreclose its lien on the property and to take possession of the property. The foreclosure shall be considered payment in full satisfaction of its lien.

If the property is not sold and the mortgage company has failed to exercise its right to foreclose its lien on the property as set out above for a period of one year after the expiration of the six month sale period, Debtor shall have the option to retain the property by paying the sum of $58,960.00 with four percent (4%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month, eighteen (18) months after the effective date of the Plan. The mortgage company would retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

If the mortgage company refuses to accept the payments for a period of six months from the date the first payment becomes due then the mortgage company shall forfeit its lien on the subject property and its debt shall be satisfied in full and the mortgage company shall have no further claims against the Debtor or the subject property.

Within six months from the effective date of the plan Debtor shall sell the property located at 503 W. 8th Street, Lancaster, Texas subject to the lien and pay America's Servicing Company the sum of $32,401.00. Any proceeds from the sale that exceed the amount paid to the mortgage company, less the closing costs and property taxes shall be paid to Debtor to compensate Debtor for repairs, stating costs, marketing of the property and other miscellaneous expenses.

If the property is not sold within six months of the effective date of the plan the mortgage company shall be allowed to take all actions necessary to foreclose its lien on the property and to take possession of the property. The foreclosure shall be considered payment in full satisfaction of its lien.

If the property is not sold and the mortgage company has failed to exercise its right to foreclose its lien on the property as set out above for a period of one year after the expiration of the six month sale period, Debtor shall have the option to retain the property by paying the sum of $32,401.00 with four percent (4%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month, eighteen (18) months after the effective date of the Plan. The mortgage company would retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

If the mortgage company refuses to accept the payments for a period of six months from the date the first payment becomes due then the mortgage company shall forfeit its lien on the subject property and its debt shall be satisfied in full and the mortgage company shall have no further claims against the Debtor or the subject property.

Bank of America filed the following secured claims:

Class	Claim No.	Collateral	Amount of claim
3	34	713 Timberline	$140,258.62

Class	Claim No.	Collateral	Amount of claim
3	No claim filed	1053 Briarwood	No claim filed

The Class 3 Allowed Secured Claim of Deutsche Bank National Trust Company, as Trustee under the Pooling and Servicing Agreement Relating to Impac Secured Assets Corp., Mortgage Pass-Through Certificates, Series 2006-5 (hereinafter "Deutsche") shall retain its lien on the property located at 713 Timberline Drive, Kennedale, Texas 76060 (the "Timberline Property"). Debtor shall retain the Timberline Property by paying the sum of $89,000.00 with four and one-half percent (4.5%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month after the effective date of the Plan. Debtors shall resume making payment to Deutsche for escrow of taxes for the Timberline Property. The Debtor shall maintain physical damage insurance covering the Timberline Property with Deutsche as the loss payee. Deutsche shall retain the right to declare a default, accelerate payments and foreclose its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

Within six months from the effective date of the plan Debtor shall sell the property located at 1053 Briarwood, DeSoto, Texas subject to the lien and pay Bank of America the sum of $74,060.00. Any proceeds from the sale that exceed the amount paid to the mortgage company, less the closing costs and property taxes shall be paid to Debtor to compensate Debtor for repairs, stating costs, marketing of the property and other miscellaneous expenses.

If the property is not sold within six months of the effective date of the plan the mortgage company shall be allowed to take all actions necessary to foreclose its lien on the property and to take possession of the property. The foreclosure shall be considered payment in full satisfaction of its lien.

If the property is not sold and the mortgage company has failed to exercise its right to foreclose its lien on the property as set out above for a period of one year after the expiration of the six month sale period, Debtor shall have the option to retain the property by paying the sum of $74,060.00 with four percent (4%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month, eighteen (18) months after the effective date of the Plan. The mortgage company would retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

If the mortgage company refuses to accept the payments for a period of six

months from the date the first payment becomes due then the mortgage company shall forfeit its lien on the subject property and its debt shall be satisfied in full and the mortgage company shall have no further claims against the Debtor or the subject property.

Specialized Loan Servicing LLC filed the following secured claim:

Class	Claim No.	Collateral	Amount of claim
4	33	2811 Galemeadow	$71,664.11

The Class 4 Allowed Secured Claim of Specialized Loan Servicing LLC, as servicing agent for CSAB Mortgage-Backed Pass-Through Certificates, Series 2007-1, U.S. Bank Association, as Trustee (hereinafter "SLS"), on the Effective Date, the property located at 2811 Galemeadow Drive, Fort Worth, Texas 76123 (the "Galemeadow Property") shall be surrendered to the holder of the Class 4 Allowed Secured Claim and the claim shall be deemed paid in full. Upon the Effective Date the automatic stay shall lift without further order of this Court to allow SLS, or its assigns or successors in interest, to take any and all steps necessary to exercise any and all rights it may have in the Galemeadow Property

Wells Fargo filed the following secured claim:

Class	Claim No.	Collateral	Amount of claim
5	14	7118 Chambers Creek	$143,428.75

Debtor shall retain the property by paying the sum of $118,000.00 with four percent (4%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month after the effective date of the Plan. The mortgage company shall retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date. Debtor shall resume making payment to Wells Fargo for escrow of taxes for the Chambers Property. The Debtor shall maintain physical damage insurance covering the Chambers Property with Wells Fargo as the loss payee.

Freedom Mortgage filed the following secured claim:

Class	Claim No.	Collateral	Amount of claim

6	13	1713 Enchanted	$95,274.54

The Class 6 Allowed Secured Claim of Freedom Mortgage Corporation, Its Successors and Assigns (hereinafter "Freedom") shall retain its lien on the property located at 1713 Enchanted Lane, Lancaster, Texas 75146 (the "Enchanted Property"). Debtor shall retain the Enchanted Property by paying the sum of $77,547.51 with four and one-half percent (4.5%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month after the effective date of the Plan. Debtors shall resume making payment to Freedom for escrow of taxes for the Enchanted Property. The Debtor shall maintain physical damage insurance covering the Enchanted Property with Freedom as the loss payee. Freedom shall retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

Franklin Credit Management filed the following secured claim:

Class	Claim No.	Collateral	Amount of claim
7	8	2811 Galemeadow	$26,889.47

The Class 7 Allowed Secured Claim of Bosco Credit II Trust Series 2010-1 (hereinafter "Bosco"), on the Effective Date, the property located at 2811 Galemeadow Drive, Fort Worth, Texas 76123 (the "Galemeadow Property") shall be surrendered to the holder of the Class 7 Allowed Secured Claim and the claim shall be deemed paid in full. Upon the Effective Date the automatic stay shall lift without further order of this Court to allow SLS, or its assigns or successors in interest, to take any and all steps necessary to exercise any and all rights it may have in the Galemeadow Property.

American Home Mortgage holds the following secured claim:

Class	Claim No.	Collateral	Amount of claim
8	No claim filed	3007 Sunnybrook	No claim filed

Within six months from the effective date of the plan Debtor shall sell the property located at 3007 Sunnybrook, Arlington, Texas subject to the lien and pay American Home Mortgage the sum of $67,760.00. Any proceeds from the sale that exceed the amount paid to the mortgage company, less the closing costs and property taxes shall be paid to Debtor to compensate Debtor for repairs, stating costs, marketing of the property and other miscellaneous expenses.

If the property is not sold within six months of the effective date of the plan the

mortgage company shall be allowed to take all actions necessary to foreclose its lien on the property and to take possession of the property. The foreclosure shall be considered payment in full satisfaction of its lien.

If the property is not sold and the mortgage company has failed to exercise its right to foreclose its lien on the property as set out above for a period of one year after the expiration of the six month sale period, Debtor shall have the option to retain the property by paying the sum of $67,760.00 with four percent (4%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month, eighteen (18) months after the effective date of the Plan. The mortgage company would retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

If the mortgage company refuses to accept the payments for a period of six months from the date the first payment becomes due then the mortgage company shall forfeit its lien on the subject property and its debt shall be satisfied in full and the mortgage company shall have no further claims against the Debtor or the subject property.

Seterus, Inc. holds the following secured claim:

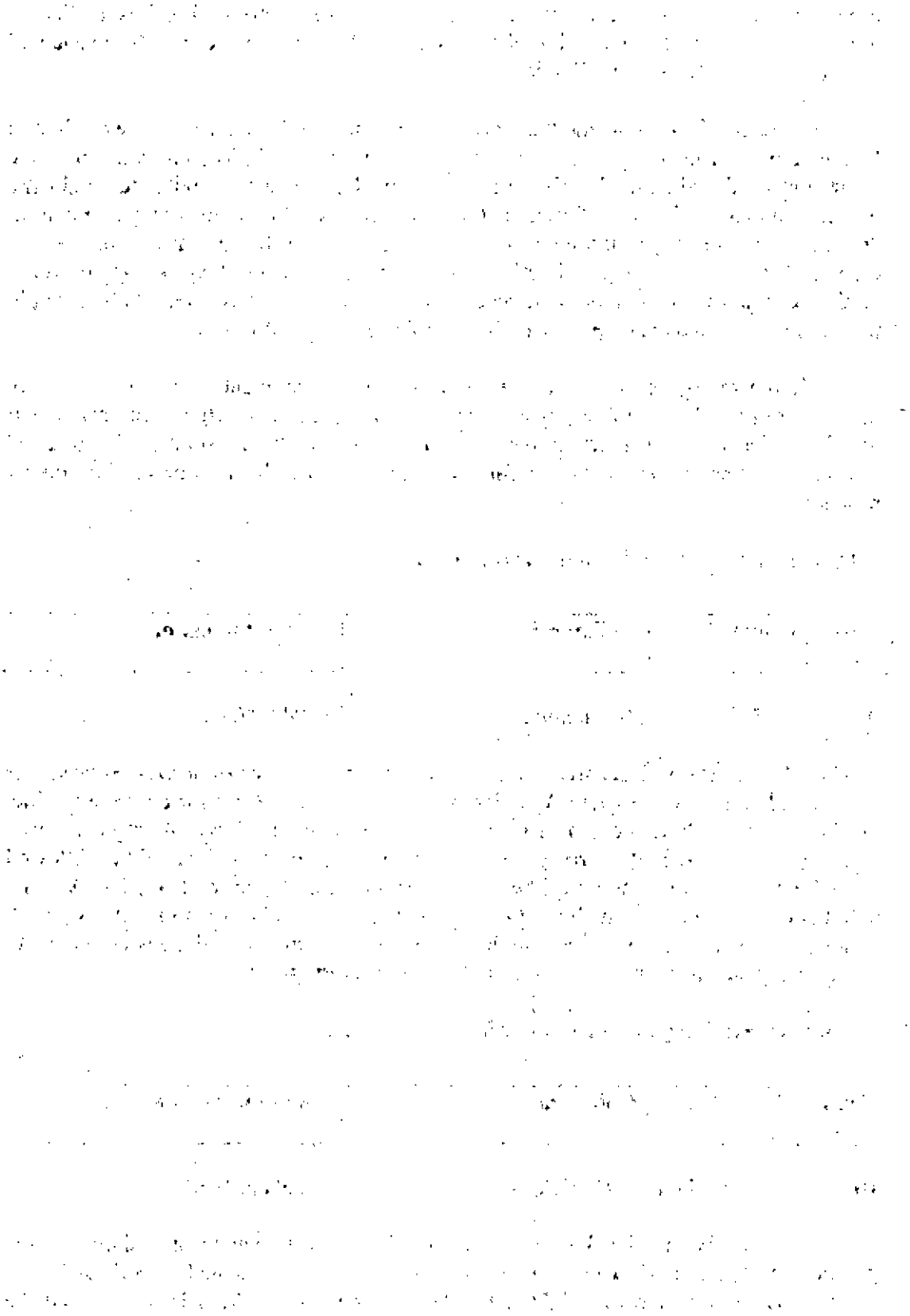
Class	Claim No.	Collateral	Amount of claim
9	35	203 Hemlock	$104,027.36

The Class 9 Allowed Secured Claim of Seterus, Inc., as the Authorized Subservicer for Federal National Mortgage Association ("Fannie Mae"), Creditor c/o Seterus, Inc, on the Effective Date, the property located at 203 Hemlock Drive, Arlington, Texas 76018 (the "Hemlock Property") shall be surrendered to the holder of the Allowed Class 9 Claim and the claim shall be deemed paid in full. Upon the Effective Date the automatic stay shall lift without further order of this Court to allow the Class 9 claimant, or its assigns or successors in interest, to take any and all steps necessary to exercise any and all rights it may have in the Hemlock Property

Litton Loan Servicing holds the following secured claim:

Class	Claim No.	Collateral	Amount of claim
10	No claim filed	2531 Gerry Way	No claim filed

Within six months from the effective date of the plan Debtor shall sell the property located at 2531 Gerry Way, Lancaster, Texas subject to the lien and pay Litton Loan Servicing the sum of $33,765.00. Any proceeds from the sale that exceed the



amount paid to the mortgage company, less the closing costs and property taxes shall be paid to Debtor to compensate Debtor for repairs, stating costs, marketing of the property and other miscellaneous expenses.

If the property is not sold within six months of the effective date of the plan the mortgage company shall be allowed to take all actions necessary to foreclose its lien on the property and to take possession of the property. The foreclosure shall be considered payment in full satisfaction of its lien.

If the property is not sold and the mortgage company has failed to exercise its right to foreclose its lien on the property as set out above for a period of one year after the expiration of the six month sale period, Debtor shall have the option to retain the property by paying the sum of $33,765.00 with four percent (4%) interest per annum in 360 equal monthly payments with the first being made on the first day of the month, eighteen (18) months after the effective date of the Plan. The mortgage company would retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

If the mortgage company refuses to accept the payments for a period of six months from the date the first payment becomes due then the mortgage company shall forfeit its lien on the subject property and its debt shall be satisfied in full and the mortgage company shall have no further claims against the Debtor or the subject property.

Nationstar filed the following secured claim:

Class	Claim No.	Collateral	Amount of claim
11	25	5947 Waterford	$130,500.00

The Class 11 Allowed Secured Claim of Nationstar Mortgage LLC (hereinafter "Nationstar") shall retain its lien on the property located at 5947 Waterford Drive, Grand Prairie, Texas 75052 (the "Waterford Property"). Debtor shall retain the Waterford Property as his homestead by paying the full amount of their claim with the first payment being made on the first day of the month after the effective date of the Plan. Debtors shall cure the arrears on the Waterford Property by making sixty (60) equal monthly installments with the first payment being made on the first day of the month after the effective date of the Plan. Debtors shall resume making payment to Nationstar for escrow of taxes for the Waterford Property. The Debtor shall maintain physical damage insurance covering the Waterford Property with Nationstar as the loss payee. Waterford shall retain the right to declare a default, accelerate payments and foreclose its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

Mansfield ISD filed the following secured claims:

Class	Claim No.	Collateral	Amount of claim
12	1	Multiple pieces of real property	$4,856.17

Class	Claim No.	Collateral	Amount of claim
12	31	Multiple pieces of real property	$4,417.91

Within six months from the effective date of the plan Debtor shall sell the properties subject to the tax liens and pay Mansfield ISD the sum of $9,274.08. Any proceeds from the sale that exceed the amount paid to the taxing authority, less the amount paid to the mortgage company shall be paid to Debtor to compensate Debtor for repairs, stating costs, marketing of the property and other miscellaneous expenses.

If the property is not sold within six months of the effective date of the plan the taxing authority shall be allowed to take all actions necessary to foreclose its lien on the properties and to take possession of the properties. The foreclosure shall be considered payment in full satisfaction of its lien.

If the property is not sold and the taxing authority has failed to exercise its right to foreclose its lien on the properties as set out above for a period of one year after the expiration of the six month sale period, Debtor shall have the option to retain the property by paying the sum of $9,274.08 with twelve percent (12%) interest per annum in 60 equal monthly payments with the first being made on the first day of the month, eighteen (18) months after the effective date of the Plan. The taxing authority would retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

The treatment of Mansfield ISD's prepetition claim and its administrative expense claim is supplemented as follows: Mansfield ISD is the holder of an administrative expense claim for ad valorem real property taxes. Mansfield ISD shall receive payment of its administrative expense claim in the ordinary course of business prior to the state law delinquency date without filing and serving an administrative expense claim and request for payment as a condition of allowance. Mansfield ISD's administrative expense claim shall not be discharged. Mansfield ISD shall retain the liens that secure all amounts ultimately owed on its prepetition claim for unpaid ad valorem real property taxes and its administrative expense claim. Those liens shall retain their state law statutory priority with regard to all consensual and nonconsensual lienholders. The deadline to object to Mansfield ISD's claim and its administrative expense claim shall be 60 days from the Effective Date of the plan. If no objection to

Mansfield ISD's claim and/or administrative expense claim is filed by this deadline, the claims shall be deemed allowed. In the event of a default under the plan, Mansfield ISD shall provide notice of the default to the Debtor/Reorganized Debtor to counsel for the Debtor. The Debtor/Reorganized Debtor shall have 14 days from the date of the notice to cure the default. In the event the default is not cured, Mansfield ISD shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court. The Debtor/Reorganized Debtor shall only be entitled to two notices of default. Upon a third event of default, Mansfield ISD shall be entitled to collect all amounts owed pursuant to state law without further notice. Failure to timely pay post-petition taxes prior to the state law delinquency date shall be an event of default under the plan only as to Mansfield ISD.

Arlington ISD filed the following secured claims:

Class	**Claim No.**	**Collateral**	**Amount of claim**
12	7	Multiple pieces of real property	$9,782.47

Class	**Claim No.**	**Collateral**	**Amount of claim**
12	32	Multiple pieces of real property	$5,883.83

Within six months from the effective date of the plan Debtor shall sell the properties subject to the tax liens and pay Arlington ISD the sum of $15,666.30. Any proceeds from the sale that exceed the amount paid to the taxing authority, less the amount paid to the mortgage company shall be paid to Debtor to compensate Debtor for repairs, stating costs, marketing of the property and other miscellaneous expenses.

If the property is not sold within six months of the effective date of the plan the taxing authority shall be allowed to take all actions necessary to foreclose its lien on the properties and to take possession of the properties. The foreclosure shall be considered payment in full satisfaction of its lien.

If the property is not sold and the taxing authority has failed to exercise its right to foreclose its lien on the properties as set out above for a period of one year after the expiration of the six month sale period, Debtor shall have the option to retain the property by paying the sum of $15,666.30 with twelve percent (12%) interest per annum in 60 equal monthly payments with the first being made on the first day of the month, eighteen (18) months after the effective date of the Plan. The taxing authority would retain the right to declare a default, accelerate payments and foreclosure its lien should the Debtor fail to make any payment within thirty (30) days of its due date.

The treatment of Arlington ISD's prepetition claim and its administrative

expense claim is supplemented as follows: Arlington ISD is the holder of an administrative expense claim for ad valorem real property taxes. Arlington ISD shall receive payment of its administrative expense claim in the ordinary course of business prior to the state law delinquency date without filing and serving an administrative expense claim and request for payment as a condition of allowance. Arlington ISD's administrative expense claim shall not be discharged. Arlington ISD shall retain the liens that secure all amounts ultimately owed on its prepetition claim for unpaid ad valorem real property taxes and its administrative expense claim. Those liens shall retain their state law statutory priority with regard to all consensual and nonconsensual lienholders. The deadline to object to Arlington ISD's claim and its administrative expense claim shall be 60 days from the Effective Date of the plan. If no objection to Arlington ISD's claim and/or administrative expense claim is filed by this deadline, the claims shall be deemed allowed. In the event of a default under the plan, Arlington ISD shall provide notice of the default to the Debtor/Reorganized Debtor to counsel for the Debtor. The Debtor/Reorganized Debtor shall have 14 days from the date of the notice to cure the default. In the event the default is not cured, Arlington ISD shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court. The Debtor/Reorganized Debtor shall only be entitled to two notices of default. Upon a third event of default, Arlington ISD shall be entitled to collect all amounts owed pursuant to state law without further notice. Failure to timely pay post-petition taxes prior to the state law delinquency date shall be an event of default under the plan only as to Arlington ISD.

Dallas County filed the following secured claims:

Class	**Claim No.**	**Collateral**	**Amount of claim**
12	9	Multiple pieces of real property	$9,054.33

Class	**Claim No.**	**Collateral**	**Amount of claim**
12	27	Multiple pieces of real property	$10,064.90

For the avoidance of doubt, nothing in the Plan treating the liens of any Secured Creditor whose liens and interests are of a priority lower than the Tax Authorities shall be deemed to grant said creditors any higher lien priority with respect to the Tax Authorities than exists under applicable non-bankruptcy law, and nothing in the Plan primes or extinguishes any such higher priority liens held by the Tax Authorities for prepetition or post-petition ad valorem taxes, including all applicable interest, fees, and penalties.

Dallas County is the holder of a prepetition claim in the amount of $9,054.33.

Notwithstanding any other provision in the Plan, in the event the Debtors sell any property that is subject to Dallas County's ad valorem property tax liens, Dallas County shall receive payment in full of their prepetition claim for ad valorem property taxes in connection with the property at the sale closing with interest that has accrued from the petition date through the effective date with statutory interest of 1% per month pursuant to 11 U.S.C. Sections 506(b) and 511 and posteffective date interest at the statutory rate of 12 % per annum pursuant to 11 U.S.C. Sections 511 and 1129 as well as all amounts ultimately owed for postpetition ad valorem taxes which shall include all penalties and interest that have accrued through the date of payment. In the event the Debtors do not sell one or more properties and Dallas County do not foreclose their liens, pursuant to the terms of the Plan, the Debtors shall make monthly payments to Dallas County on their prepetition claims with interest that has accrued from the petition date through the effective date with statutory interest of 1% per month pursuant to 11 U.S.C. Sections 506(b) and 511 and posteffective date interest at the statutory rate of 12 % per annum pursuant to 11 U.S.C. Sections 511 and 1129in monthly installments in an amount and duration calculated to pay all amounts owed in full no later than the fifth anniversary of the filing of their petition for relief and shall pay all amounts owed for postpetition ad valorem property taxes, including, but not limited to, all accrued penalties and interest.

The Reorganized Debtor shall pay the 2015 ad valorem taxes timely pursuant to applicable non-bankruptcy law and, for the avoidance of doubt, it is not necessary for any of the Tax Authorities, or for any other ad valorem taxing authority, to file an administrative expense claim or request for payment in order for the 2015 taxes to be deemed an allowed administrative expense, for the further avoidance of doubt, no such 2015 taxes are discharged by the Plan or by this Order. A failure by the Debtor or Reorganized Debtor to timely pay post-petition taxes by the deadline provided in the Plan shall be a default under the Plan.

In the event of an objection to claim of any of the Tax Authorities, the Reorganized Debtor shall make the plan payments which will be applied to the undisputed amount of the claim.

The Tax Authorities shall retain their liens for pre- and post-petition taxes with the same validity, extent and priority until all taxes and related interest, penalties, and fees (if any) have been paid in full and that, in the event of the sale of any assets that are subject to the Tax Authorities' liens, the Tax Authorities shall receive payment from the gross proceeds of sale prior to the payment of any creditor whose liens are junior.

That, "Administrative Tax Claim" means a Claim of an ad valorem tax authority against the Debtors, Estate or property of either, solely on account of year 2013 or later taxes. The term excludes any claim for ad valorem taxes for any year prior to 2013.

Debtor is required to pay the 2014 and 2015 ad valorem tax claims owed to Dallas County and Tarrant County within sixty days of entry of the confirmation order. Failure to pay these taxes is an event of default if not cured within 15 days.

Tarrant County filed the following secured claims:

Class	Claim No.	Collateral	Amount of claim
12	10	Multiple pieces of real property	$834.06

Class	Claim No.	Collateral	Amount of claim
12	28	Multiple pieces of real property	$15,664.45

For the avoidance of doubt, nothing in the Plan treating the liens of any Secured Creditor whose liens and interests are of a priority lower than the Tax Authorities shall be deemed to grant said creditors any higher lien priority with respect to the Tax Authorities than exists under applicable non-bankruptcy law, and nothing in the Plan primes or extinguishes any such higher priority liens held by the Tax Authorities for prepetition or post-petition ad valorem taxes, including all applicable interest, fees, and penalties.

Tarrant County is the holder of a prepetition claim in the amount of $834.06. Notwithstanding any other provision in the Plan, in the event the Debtors sell any property that is subject to Tarrant County's ad valorem property tax liens, Tarrant County shall receive payment in full of their prepetition claim for ad valorem property taxes in connection with the property at the sale closing with interest that has accrued from the petition date through the effective date with statutory interest of 1% per month pursuant to 11 U.S.C. Sections 506(b) and 511 and posteffective date interest at the statutory rate of 12 % per annum pursuant to 11 U.S.C. Sections 511 and 1129 as well as all amounts ultimately owed for postpetition ad valorem taxes which shall include all penalties and interest that have accrued through the date of payment. In the event the Debtors do not sell one or more properties and Tarrant County do not foreclose their liens, pursuant to the terms of the Plan, the Debtors shall make monthly payments to Tarrant County on their prepetition claims with interest that has accrued from the petition date through the effective date with statutory interest of 1% per month pursuant to 11 U.S.C. Sections 506(b) and 511 and posteffective date interest at the statutory rate of 12 % per annum pursuant to 11 U.S.C. Sections 511 and 1129in monthly installments in an amount and duration calculated to pay all amounts owed in full no later than the fifth anniversary of the filing of their petition for relief and shall pay all amounts owed for postpetition ad valorem property taxes, including, but not limited to, all accrued penalties and interest.

The Reorganized Debtor shall pay the 2015 ad valorem taxes timely pursuant to applicable non-bankruptcy law and, for the avoidance of doubt, it is not necessary for

any of the Tax Authorities, or for any other ad valorem taxing authority, to file an administrative expense claim or request for payment in order for the 2015 taxes to be deemed an allowed administrative expense, for the further avoidance of doubt, no such 2015 taxes are discharged by the Plan or by this Order. A failure by the Debtor or Reorganized Debtor to timely pay post-petition taxes by the deadline provided in the Plan shall be a default under the Plan.

In the event of an objection to claim of any of the Tax Authorities, the Reorganized Debtor shall make the plan payments which will be applied to the undisputed amount of the claim.

The Tax Authorities shall retain their liens for pre- and post-petition taxes with the same validity, extent and priority until all taxes and related interest, penalties, and fees (if any) have been paid in full and that, in the event of the sale of any assets that are subject to the Tax Authorities' liens, the Tax Authorities shall receive payment from the gross proceeds of sale prior to the payment of any creditor whose liens are junior.

That, "Administrative Tax Claim" means a Claim of an ad valorem tax authority against the Debtors, Estate or property of either, solely on account of year 2013 or later taxes. The term excludes any claim for ad valorem taxes for any year prior to 2013.

Debtor is required to pay the 2014 and 2015 ad valorem tax claims owed to Dallas County and Tarrant County within sixty days of entry of the confirmation order. Failure to pay these taxes is an event of default if not cured within 15 days.

The Internal Revenue Service filed the following secured claim:

Class	**Creditor**	**Collateral**	**Impaired?**	**Treatment**
13	IRS	Real and personal Property	Yes	*Paid in equal monthly installments over 6 years

The IRS filed a secured claim in the amount of $48,366.11. This claim shall be paid in full satisfaction with 3% interest amortized over a seventy two (72) month period beginning thirty (30) days after the Effective Date. The occurrence of any of the following shall constitute an event of default under the plan: (1) Failure to Make Payments. (2) Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan Debt. However, due to the size and ongoing nature of the IRS's claim, upon default under the plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing

of a notice of Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS: (a) If the Debtor or its successor in interest fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the Debtor or its successor in interest failed to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default; (b) If the United States declares the Debtor or the successor in interest to be in default of the Debtor's obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to the Debtor or the successor in interest; (c) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default, and upon the third event of Default the IRS may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor. The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan. All payments will be sent to: IRS, 1100 Commerce Street, Mail Code 5026 DAL, Dallas, Texas 75242; (d) The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the Plan and as set forth above.

2. *Classes of Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. **General Unsecured Claims will not receive full satisfaction of their claim.**

The following chart identifies the Plan's proposed treatment of Class 10 which contain the unsecured claims against the Debtor:

Class	Description	Impaired?	Treatment
14	General Unsecured Claims	Yes	*Debtor will pay the general unsecured creditors the sum of $600.00 per quarter for twenty (20) quarters

			beginning ninety (90) days after the effective date of the plan.

The general unsecured claims are believed to be approximately $50,000.00.

INSURANCE CHECKS

Several mortgage companies are the loss-payee of the insurance policies insuring the property of the Debtor. Property was damaged, an insurance claim was filed and a check issued to pay for the repairs. The mortgage company shall endorse the insurance check and return the check to Debtor. Debtor shall use the insurance proceeds to make repairs to the subject property.

ACCEPTANCE OR REJECTION OF PLAN

Impairment Controversies. If a controversy arises as to whether any Class is impaired under this Plan, such Class shall be treated as specified in this Plan unless the Bankruptcy Court shall determine such controversy differently upon motion of the party challenging the characterization of a particular Class under this Plan.

Classes and Claims Entitled to Vote. Unclassified Claims and Interests are not impaired under this Plan and are therefore deemed to have accepted the Plan without the necessity of voting. All other Classes are impaired under the this Plan and are entitled to vote on the Plan to the extent that a Claim in such Class is not the subject of a pending objection as to allowance, or the holder of any such objected-to Claim has obtained an order from the Bankruptcy Court permitting such holder to vote on the Plan. Ballots for the acceptance or rejection of the Plan shall be mailed to holders of such impaired Classes only and to holders of such Claims within such Classes only.

Class Acceptance Requirement. A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan and that are otherwise entitled to vote on the Plan. If no Ballots are properly returned for any particular Class, such Class shall be deemed to have voted to accept this Plan.

Cramdown. This Section shall constitute the request by the Debtors, pursuant to section 1129(b) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 11 29(a)(8) may not be met.

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

There are no executory contracts or unexpired leases except leases of current tenants

of the rental properties. Debtor shall accept all current tenant leases upon confirmation of the Plan.

MEANS FOR IMPLEMENTATION OF THE PLAN

Payments and distributions under the Plan will be funded by the business income of the Debtor and the sale of assets.

ALLOWANCE AND DISALLOWANCE OF CLAIMS

Disputed Claims

A disputed claim is a claim that has not been allowed or disallowed, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

Delay of Distribution on a Disputed Claim

No distribution will be made on account of a disputed claim unless such claim is allowed.

Settlement of Disputed Claims

The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

THE REORGANIZED DEBTOR AND POSTCONFIRMATION OPERATIONS

The Plan will be funded through several sources, including cash on hand and future income from Debtors business.

The claims will be paid from the Debtors' future cash flow and income as a result of the continuing and future profits from Debtors business. Attached to this Disclosure Statement is a financial breakdown containing data in the form of future projections demonstrating that the Debtor will have sufficient resources and ability to make these future payments and to fully fund the Plan. In the event that the Debtor defaults under the same, secured creditors will retain their liens and unsecured creditors will retain their bankruptcy and non-bankruptcy rights against the Debtor.

Under the Plan, the Debtor will be reorganized and is referred to as the "Reorganized Debtor." The Reorganized Debtor is responsible for making payments under the Plan. All property of the Debtor and the Estate will vest in the Reorganized Debtor; thus, the Reorganized Debtor will have the funds and the ability to make all payments and distributions required by the Plan.

GENERAL PROVISIONS

Definitions and Rules of Construction

The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

1. Effective Date of Plan. "Effective Date" means the first Business Day fourteen (14) days after Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) days after the Confirmation Date.
2. Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.
3. Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Texas govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided for in this Plan.
4. Sale of Assets. Debtor shall retain the power to sell any Assets of the Estate upon motion and notice to all Creditors pursuant to Bankruptcy Code § 363.
5. Tax Consequences of the Plan. Creditors concerned with how the Plan may affect their tax liability should consult with their own accountants, attorneys and/or advisors.

DISCHARGE

Except as otherwise provided in the Plan, the terms, covenants and consideration under the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever against the Debtors or the Estate, or any of their assets, including, without limitation, all Secured Claims and all Unsecured Claims,. Except as otherwise expressly provided in this Plan, after notice and a hearing the Court deems that all payments under the Plan have been completed, the Reorganized Debtors and their successors-in-interest and assigns shall be deemed discharged and released pursuant to section 1141 (d)(5) of the Bankruptcy Code from any and all Claims, demands and liabilities that arose before the Effective Date, and all debts of any kind specified in section 502(g), 502(h), or 502(1) of the Bankruptcy Code, whether or not: (a) a proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code; (c) the holder of a Claim based upon such debt has accepted this Plan; or (d) the Claim has been Allowed, Disallowed, or estimated pursuant to section 502(c) of the Bankruptcy Code. Except as otherwise provided in the Plan, the Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtor and his successors-in-interest and assigns other

than those obligations specifically set forth pursuant to this Plan. For the avoidance of doubt, nothing in this Plan releases or discharges the Debtor, Estate, or Reorganized Debtor from any obligation imposed by, or preserved under, this Plan.

MODIFICATION OF THE PLAN

Amendments Prior to Confirmation Date

Debtor may modify the Plan prior to Confirmation, and the Plan, as amended shall become the new Plan of Reorganization.

Amendments after Confirmation Date

Debtor may modify the Plan before its substantial consummation, provided that the Plan, as modified, meets the requirements of the Bankruptcy Code, and the Court, after notice and hearing, confirms this Plan, as modified.

Effect on Claims

A Holder of a Claim that has accepted or rejected this Plan shall be deemed to have accepted or rejected, as the case may be, this Plan, as modified, unless, within the time fixed by the Court, such holder changes its previous acceptance or rejection.

RETENTION OF JURISDICTION

Notwithstanding entry of the Confirmation Order, this Court shall retain jurisdiction over this Chapter 11 case for the following purposes:

1. To determine any and all objections to the allowance of Claims or Interests, both before and after the Confirmation Date, including any objections to the classification of any claim or interest;
2. To determine any and all applications for fees and expenses authorized to be paid or reimbursed in accordance with section 503(b) of the Bankruptcy Code or this Plan;
3. To determine any and all pending applications for the assumption or rejection of executory contracts of for the rejection or assumption and assignment, as the case may be, of unexpired leases to which any Debtors is a party or with respect to which it may be liable; to hear and determine any actions to void or terminate unexpired contracts or leases; and to hear and determine and, if need be, to liquidate any and all claims arising therefrom;
4. To hear and determine any and all actions initiated by the reorganized debtor, whether by motion, complaint or otherwise;
5. To determine any and all applications, motions, adversary proceedings and contested matters pending before the Court on the Confirmation Date or filed or instituted after the Confirmation Date;
6. To modify this Plan, the Disclosure Statement or any document created in connection with this Plan or remedy any defect or omission or reconcile any

inconsistency in any Order of the Court, this Plan, the Disclosure Statement or any document created in connection with this Plan, in such manner as may be necessary to carry out the purposes and effects of this Plan to the extent authorized by the Bankruptcy Code;

7. To ensure that the distribution is accomplished in accordance with the provisions of this Plan;
8. To allow, disallow, determine, liquidate or estimate any claim or interest and to enter or enforce any order requiring the filing of any such claim or interest before a particular date;
9. To enter such orders as may be necessary to interpret, enforce, administer, consummate, implement and effectuate the operative provisions of this Plan and all documents and agreements provided for herein or therein or executed pursuant hereto and thereto including, without limitations, entering appropriate orders to protect the Debtors from creditor actions;
10. To hear any other matter not inconsistent with Chapter 11 of the Bankruptcy Code;
11. To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated;
12. To determine such other matters as may arise in connection with this Plan, the Disclosure Statement or the Confirmation Order;
13. To authorize the sale of any Assets as provided by this Plan;
14. To enforce all orders, judgments, injunctions, and ruling entered in connection with the Case;
15. To determine all issues relating to the Claims of the IRS, and other taxing authorities, state or federal;
16. To determine any avoidance actions brought pursuant to the provisions of the Bankruptcy Code;
17. To enter a Final Order and final decree closing the Chapter 11 case.

William Paul Burch asks that you vote in favor of this Plan.

Respectively submitted,

/s/ Steve Stasio

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APPENDIX U

Rule 8009.

Record on Appeal; Sealed Documents

(a) Designating the Record on Appeal; Statement of the Issues.

(1) *Appellant.*

(A) The appellant must file with the bankruptcy clerk and serve on the appellee a designation of the items to be included in the record on appeal and a statement of the issues to be presented.

(B) The appellant must file and serve the designation and statement within 14 days after:

(i) the appellant's notice of appeal as of right becomes effective under Rule 8002; or

(ii) an order granting leave to appeal is entered.

A designation and statement served prematurely must be treated as served on the first day on which filing is timely.

(2) *Appellee and Cross-Appellant*. Within 14 days after being served, the appellee may file with the bankruptcy clerk and serve on the appellant a designation of additional items to be included in the record. An appellee who files a cross-appeal must file and serve a designation of additional items to be included in the record and a statement of the issues to be presented on the cross-appeal.

(3) *Cross-Appellee*. Within 14 days after service of the cross-appellant's designation and statement, a cross-appellee may file with the bankruptcy clerk and serve on the cross-appellant a designation of additional items to be included in the record.

(4) *Record on Appeal*. The record on appeal must include the following:

- docket entries kept by the bankruptcy clerk;
- items designated by the parties;
- the notice of appeal;
- the judgment, order, or decree being appealed;
- any order granting leave to appeal;
- any certification required for a direct appeal to the court of appeals;

- any opinion, findings of fact, and conclusions of law relating to the issues on appeal, including transcripts of all oral rulings;
- any transcript ordered under subdivision (b);
- any statement required by subdivision (c); and
- any additional items from the record that the court where the appeal is pending orders.

(5) *Copies for the Bankruptcy Clerk*. If paper copies are needed, a party filing a designation of items must provide a copy of any of those items that the bankruptcy clerk requests. If the party fails to do so, the bankruptcy clerk must prepare the copy at the party's expense.

(b) Transcript of Proceedings.

(1) *Appellant's Duty to Order*. Within the time period prescribed by subdivision (a)(1), the appellant must:

(A) order in writing from the reporter, as defined in Rule 8010(a)(1), a transcript of such parts of the proceedings not already on file as the appellant considers necessary for the appeal, and file a copy of the order with the bankruptcy clerk; or

(B) file with the bankruptcy clerk a certificate stating that the appellant is not ordering a transcript.

(2) *Cross-Appellant's Duty to Order*. Within 14 days after the appellant files a copy of the transcript order or a certificate of not ordering a transcript, the appellee as cross-appellant must:

(A) order in writing from the reporter, as defined in Rule 8010(a)(1), a transcript of such additional parts of the proceedings as the cross-appellant considers necessary for the appeal, and file a copy of the order with the bankruptcy clerk; or

(B) file with the bankruptcy clerk a certificate stating that the cross-appellant is not ordering a transcript.

(3) *Appellee's or Cross-Appellee's Right to Order*. Within 14 days after the appellant or cross-appellant files a copy of a transcript order or certificate of not ordering a transcript, the appellee or cross-appellee may order in writing from the reporter a transcript of such additional parts of the proceedings as the appellee or cross-appellee considers necessary for the appeal. A copy of the order must be filed with the bankruptcy clerk.

(4) *Payment*. At the time of ordering, a party must make satisfactory arrangements with the reporter for paying the cost of the transcript.

(5) *Unsupported Finding or Conclusion*. If the appellant intends to argue on appeal that a finding or conclusion is unsupported by the evidence or is contrary to the evidence, the appellant must include in the record a transcript of all relevant testimony and copies of all relevant exhibits.

(c) Statement of the Evidence When a Transcript is Unavailable. If a transcript of a hearing or trial is unavailable, the appellant may prepare a statement of the evidence or proceedings from the best available means, including the appellant's recollection. The statement must be filed within the time prescribed by subdivision (a)(1) and served on the appellee, who may serve objections or proposed amendments within 14 days after being served. The statement and any objections or proposed amendments must then be submitted to the bankruptcy court for settlement and approval. As settled and approved, the statement must be included by the bankruptcy clerk in the record on appeal.

(d) Agreed Statement as the Record on Appeal. Instead of the record on appeal as defined in subdivision (a), the parties may prepare, sign, and submit to the bankruptcy court a statement of the case showing how the issues presented by the appeal arose and were decided in the bankruptcy court. The statement must set forth only those facts alleged and proved or sought to be proved that are essential to the court's resolution of the issues. If the statement is accurate, it—together with any additions that the bankruptcy court may consider necessary to a full presentation of the issues on appeal—must be approved by the bankruptcy court and must then be certified to the court where the appeal is pending as the record on appeal. The bankruptcy clerk must then transmit it to the clerk of that court within the time provided by Rule 8010. A copy of the agreed statement may be filed in place of the appendix required by Rule 8018(b) or, in the case of a direct appeal to the court of appeals, by F.R.App.P. 30.

(e) Correcting or Modifying the Record.

(1) *Submitting to the Bankruptcy Court.* If any difference arises about whether the record accurately discloses what occurred in the bankruptcy court, the difference must be submitted to and settled by the bankruptcy court and the record conformed accordingly. If an item has been improperly designated as part of the record on appeal, a party may move to strike that item.

(2) *Correcting in Other Ways*. If anything material to either party is omitted from or misstated in the record by error or accident, the omission

or misstatement may be corrected, and a supplemental record may be certified and transmitted:

(A) on stipulation of the parties;

(B) by the bankruptcy court before or after the record has been forwarded; or

(C) by the court where the appeal is pending.

(3) *Remaining Questions*. All other questions as to the form and content of the record must be presented to the court where the appeal is pending.

(f) Sealed Documents. A document placed under seal by the bankruptcy court may be designated as part of the record on appeal. In doing so, a party must identify it without revealing confidential or secret information, but the bankruptcy clerk must not transmit it to the clerk of the court where the appeal is pending as part of the record. Instead, a party must file a motion with the court where the appeal is pending to accept the document under seal. If the motion is granted, the movant must notify the bankruptcy court of the ruling, and the bankruptcy clerk must promptly transmit the sealed document to the clerk of the court where the appeal is pending.

(g) Other Necessary Actions. All parties to an appeal must take any other action necessary to enable the bankruptcy clerk to assemble and transmit the record.

(Added Apr. 25, 2014, eff. Dec. 1, 2014.)

APPENDIX V

28 U.S. Code § 1332 - Diversity of citizenship; amount in controversy; costs

(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $75,000, exclusive of interest and costs, and is between=

(1) citizens of different States;

(2) citizens of a State and citizens or subjects of a foreign state, except that the district courts shall not have original jurisdiction under this subsection of an action between citizens of a State and citizens or subjects of a foreign state who are lawfully admitted for permanent residence in the United States and are domiciled in the same State;

(3) citizens of different States and in which citizens or subjects of a foreign state are additional parties; and

(4) a foreign state, defined in section 1603(a) of this title, as plaintiff and citizens of a State or of different States.

(b) Except when express provision therefor is otherwise made in a statute of the United States, where the plaintiff who files the case originally in the Federal courts is finally adjudged to be entitled to recover less than the sum or value of $75,000, computed without regard to any setoff or counterclaim to which the defendant may be adjudged to be entitled, and exclusive of interest and costs, the district court may deny costs to the plaintiff and, in addition, may impose costs on the plaintiff.

(c) For the purposes of this section and section 1441 of this title—

(1) a corporation shall be deemed to be a citizen of every State and foreign state by which it has been incorporated and of the State or foreign state where it has its principal place of business, except that in any direct action against the insurer of a policy or contract of liability insurance, whether incorporated or unincorporated, to which action the insured is not joined as a party-defendant, such insurer shall be deemed a citizen of—

(A) every State and foreign state of which the insured is a citizen;

(B) every State and foreign state by which the insurer has been incorporated; and

(C) the State or foreign state where the insurer has its principal place of business; and

(2) the legal representative of the estate of a decedent shall be deemed to be a citizen only of the same State as the decedent, and the legal representative of an infant or incompetent shall be deemed to be a citizen only of the same State as the infant or incompetent.

(d)

(1) In this subsection—

(A) the term "class" means all of the class members in a class action;

(B) the term "class action" means any civil action filed under rule 23 of the Federal Rules of Civil Procedure or similar State statute or rule of judicial procedure authorizing an action to be brought by 1 or more representative persons as a class action;

(C) the term "class certification order" means an order issued by a court approving the treatment of some or all aspects of a civil action as a class action; and

(D) the term "class members" means the persons (named or unnamed) who fall within the definition of the proposed or certified class in a class action.

(2) The district courts shall have original jurisdiction of any civil action in which the matter in controversy exceeds the sum or value of $5,000,000, exclusive of interest and costs, and is a class action in which=

(A) any member of a class of plaintiffs is a citizen of a State different from any defendant;

(B) any member of a class of plaintiffs is a foreign state or a citizen or subject of a foreign state and any defendant is a citizen of a State; or

(C) any member of a class of plaintiffs is a citizen of a State and any defendant is a foreign state or a citizen or subject of a foreign state.

(3) A district court may, in the interests of justice and looking at the totality of the circumstances, decline to exercise jurisdiction under paragraph (2) over a class action in which greater than one-third but less than two-thirds of the members of all proposed plaintiff classes in the aggregate and the primary defendants are citizens of the State in which the action was originally filed based on consideration of—

(A) whether the claims asserted involve matters of national or interstate interest;

(B) whether the claims asserted will be governed by laws of the State in which the action was originally filed or by the laws of other States;

(C) whether the class action has been pleaded in a manner that seeks to avoid Federal jurisdiction;

(D) whether the action was brought in a forum with a distinct nexus with the class members, the alleged harm, or the defendants;

(E) whether the number of citizens of the State in which the action was originally filed in all proposed plaintiff classes in the aggregate is substantially larger than the number of citizens from any other State, and the citizenship of the other members of the proposed class is dispersed among a substantial number of States; and

(F) whether, during the 3-year period preceding the filing of that class action, 1 or more other class actions asserting the same or similar claims on behalf of the same or other persons have been filed.

(4) A district court shall decline to exercise jurisdiction under paragraph (2)—

(A)

(i) over a class action in which—

(I) greater than two-thirds of the members of all proposed plaintiff classes in the aggregate are citizens of the State in which the action was originally filed;

(II) at least 1 defendant is a defendant—

(aa) from whom significant relief is sought by members of the plaintiff class;

(bb) whose alleged conduct forms a significant basis for the claims asserted by the proposed plaintiff class; and

(cc) who is a citizen of the State in which the action was originally filed; and

(III) principal injuries resulting from the alleged conduct or any related conduct of each defendant were incurred in the State in which the action was originally filed; and

(ii) during the 3-year period preceding the filing of that class action, no other class action has been filed asserting the same or similar factual allegations against any of the defendants on behalf of the same or other persons; or

(B) two-thirds or more of the members of all proposed plaintiff classes in the aggregate, and the primary defendants, are citizens of the State in which the action was originally filed.

(5) Paragraphs (2) through (4) shall not apply to any class action in which—

(A) the primary defendants are States, State officials, or other governmental entities against whom the district court may be foreclosed from ordering relief; or

(B) the number of members of all proposed plaintiff classes in the aggregate is less than 100.

(6) In any class action, the claims of the individual class members shall be aggregated to determine whether the matter in controversy exceeds the sum or value of $5,000,000, exclusive of interest and costs.

(7) Citizenship of the members of the proposed plaintiff classes shall be determined for purposes of paragraphs (2) through (6) as of the date of filing of the complaint or amended complaint, or, if the case stated by the initial pleading is not subject to Federal jurisdiction, as of the date of service by plaintiffs of an amended pleading, motion, or other paper, indicating the existence of Federal jurisdiction.

(8) This subsection shall apply to any class action before or after the entry of a class certification order by the court with respect to that action.

(9) Paragraph (2) shall not apply to any class action that solely involves a claim—

(A) concerning a covered security as defined under 16(f)(3) [1] of the Securities Act of 1933 (15 U.S.C. 78p(f)(3) [2]) and section 28(f)(5)(E) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(f)(5)(E));

(B) that relates to the internal affairs or governance of a corporation or other form of business enterprise and that arises under or by virtue of the laws of the State in which such corporation or business enterprise is incorporated or organized; or

(C) that relates to the rights, duties (including fiduciary duties), and obligations relating to or created by or pursuant to any security (as defined under section 2(a)(1) of the Securities Act of 1933 (15 U.S.C. 77b(a)(1)) and the regulations issued thereunder).

(10) For purposes of this subsection and section 1453, an unincorporated association shall be deemed to be a citizen of the State where it has its principal place of business and the State under whose laws it is organized.

(11)

(A) For purposes of this subsection and section 1453, a mass action shall be deemed to be a class action removable under paragraphs (2) through (10) if it otherwise meets the provisions of those paragraphs.

(B)

(i) As used in subparagraph (A), the term "mass action" means any civil action (except a civil action within the scope of section 1711(2)) in which monetary relief claims of 100 or more persons are proposed to be tried jointly on the ground that the plaintiffs' claims involve common questions of law or fact, except that jurisdiction shall exist only over those plaintiffs whose claims in a mass action satisfy the jurisdictional amount requirements under subsection (a).

(ii) As used in subparagraph (A), the term "mass action" shall not include any civil action in which—

(I) all of the claims in the action arise from an event or occurrence in the State in which the action was filed, and that allegedly resulted in injuries in that State or in States contiguous to that State;

(II) the claims are joined upon motion of a defendant;

(III) all of the claims in the action are asserted on behalf of the general public (and not on behalf of individual claimants or members of a purported class) pursuant to a State statute specifically authorizing such action; or

(IV) the claims have been consolidated or coordinated solely for pretrial proceedings.

(C)

(i) Any action(s) removed to Federal court pursuant to this subsection shall not thereafter be transferred to any other court pursuant to section 1407, or the rules promulgated thereunder, unless a majority of the plaintiffs in the action request transfer pursuant to section 1407.

(ii) This subparagraph will not apply—

(I) to cases certified pursuant to rule 23 of the Federal Rules of Civil Procedure; or

(II) if plaintiffs propose that the action proceed as a class action pursuant to rule 23 of the Federal Rules of Civil Procedure.

(D) The limitations periods on any claims asserted in a mass action that is removed to Federal court pursuant to this subsection shall be deemed tolled during the period that the action is pending in Federal court.

(e) The word "States", as used in this section, includes the Territories, the District of Columbia, and the Commonwealth of Puerto Rico.

APPENDIX W

U.S. CONST FOURTEENTH AMENDMENT

Section 1.

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 2.

Representatives shall be apportioned among the several states according to their respective numbers, counting the whole number of persons in each state, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a state, or the members of the legislature thereof, is denied to any of the male inhabitants of such state, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such state.

Section 3.

No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any state, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any state legislature, or as an executive or judicial officer of any state, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

Section 4.

The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any state shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

Section 5.

The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

APPENDIX X

28 U.S. Code § 1915 - Proceedings in forma pauperis

(a)

(1) Subject to subsection (b), any court of the United States may authorize the commencement, prosecution or defense of any suit, action or proceeding, civil or criminal, or appeal therein, without prepayment of fees or security therefor, by a person who submits an affidavit that includes a statement of all assets such prisoner possesses that the person is unable to pay such fees or give security therefor. Such affidavit shall state the nature of the action, defense or appeal and affiant's belief that the person is entitled to redress.

(2) A prisoner seeking to bring a civil action or appeal a judgment in a civil action or proceeding without prepayment of fees or security therefor, in addition to filing the affidavit filed under paragraph (1), shall submit a certified copy of the trust fund account statement (or institutional equivalent) for the prisoner for the 6-month period immediately preceding the filing of the complaint or notice of appeal, obtained from the appropriate official of each prison at which the prisoner is or was confined.

(3) An appeal may not be taken in forma pauperis if the trial court certifies in writing that it is not taken in good faith.

(b)

(1) Notwithstanding subsection (a), if a prisoner brings a civil action or files an appeal in forma pauperis, the prisoner shall be required to pay the full amount of a filing fee. The court shall assess and, when funds exist, collect, as a partial payment of any court fees required by law, an initial partial filing fee of 20 percent of the greater of—

(A) the average monthly deposits to the prisoner's account; or

(B) the average monthly balance in the prisoner's account for the 6-month period immediately preceding the filing of the complaint or notice of appeal.

(2) After payment of the initial partial filing fee, the prisoner shall be required to make monthly payments of 20 percent of the preceding month's income credited to the prisoner's account. The agency having custody of the prisoner shall forward payments from the prisoner's account to the clerk of the court each time the amount in the account exceeds $10 until the filing fees are paid.

(3) In no event shall the filing fee collected exceed the amount of fees permitted by statute for the commencement of a civil action or an appeal of a civil action or criminal judgment.

(4) In no event shall a prisoner be prohibited from bringing a civil action or appealing a civil or criminal judgment for the reason that the prisoner has no assets and no means by which to pay the initial partial filing fee.

(c) Upon the filing of an affidavit in accordance with subsections (a) and (b) and the prepayment of any partial filing fee as may be required under subsection (b), the court may direct payment by the United States of the expenses of (1) printing the record on appeal in any civil or criminal case, if such printing is required by the appellate court; (2) preparing a transcript of proceedings before a United States magistrate judge in any civil or criminal case, if such transcript is required by the district court, in the case of proceedings conducted under section 636(b) of this title or under section 3401(b) of title 18, United States Code; and (3) printing the record on appeal if such printing is required by the appellate court, in the case of proceedings conducted pursuant to section 636(c) of this title. Such expenses shall be paid when authorized by the Director of the Administrative Office of the United States Courts.

(d) The officers of the court shall issue and serve all process, and perform all duties in such cases. Witnesses shall attend as in other cases, and the same remedies shall be available as are provided for by law in other cases.

(e)

(1) The court may request an attorney to represent any person unable to afford counsel.

(2) Notwithstanding any filing fee, or any portion thereof, that may have been paid, the court shall dismiss the case at any time if the court determines that—

(A) the allegation of poverty is untrue; or

(B) the action or appeal—

(i) is frivolous or malicious;

(ii) fails to state a claim on which relief may be granted; or

(iii) seeks monetary relief against a defendant who is immune from such relief.

(f)

(1) Judgment may be rendered for costs at the conclusion of the suit or action as in other proceedings, but the United States shall not be liable for any of the costs thus incurred. If the United States has paid the cost of a stenographic transcript or printed record for the prevailing party, the same shall be taxed in favor of the United States.

(2)

(A)If the judgment against a prisoner includes the payment of costs under this subsection, the prisoner shall be required to pay the full amount of the costs ordered.

(B)The prisoner shall be required to make payments for costs under this subsection in the same manner as is provided for filing fees under subsection (a)(2).

(C)In no event shall the costs collected exceed the amount of the costs ordered by the court.

(g) In no event shall a prisoner bring a civil action or appeal a judgment in a civil action or proceeding under this section if the prisoner has, on 3 or more prior occasions, while incarcerated or detained in any facility, brought an action or appeal in a court of the United States that was dismissed on the grounds that it is frivolous, malicious, or fails to state a claim upon which relief may be granted, unless the prisoner is under imminent danger of serious physical injury.

(h) As used in this section, the term "prisoner" means any person incarcerated or detained in any facility who is accused of, convicted of, sentenced for, or adjudicated delinquent for, violations of criminal law or the terms and conditions of parole, probation, pretrial release, or diversionary program.