

UNOFFICIAL COPY

RE: ANGEL LOPEZ
ISABEL LOPEZ

) Case No. 98 B 33170
)
) Chapter 13
Debtor)
) Judge: JOAN HUMPHREY LEFKOW

EOD JUL 20 1999

ORDER CONFIRMING CHAPTER 13 PLAN NUNC PRO TUNC 6/22/99

On hearing on confirmation, the Court makes these findings of fact:

- (a) The provisions of 11 U.S.C. 1325 (a) have been complied with;
- (b) The Debtor's plan as filed was:

<u>SECURED</u>	<u>UNSECURED</u>	<u>NO. OF MONTHS</u>	<u>MO. PAYMENTS</u>
100.00%	100.00%	24	\$4,493.93



Secured creditors are to be paid pro-rata on the same priority for any funds on hand in case of default.

(c) <u>SECURED</u>	<u>UNSECURED</u>	<u>NO. OF MONTHS</u>	<u>MO. PAYMENTS</u>
100 %	100 %	24	\$ 4,493.93

Secured creditors are to be paid pro-rata on the same priority for any funds on hand in case of default.

Based on the above finding of facts, IT IS HEREBY ORDERED THAT: the Chapter 13 Plan as set forth in Paragraph (c) of the finding of facts is confirmed.

DATE: JUL 19 1999

Joan H. Lefkow

Bankruptcy Judge

99955233

8256/0022 88 001 Page 1 of 11
1999-10-08 16:06:45
Cook County Recorder 41.50

This is to certify that the within and attached document is a full, true and correct copy of the original thereof as the same appears on file in the office of the Clerk of the United States Bankruptcy Court for the Northern District of Illinois.

WAYNE E. NELSON
CLERK OF COURT

By *Peggy Meyer*
Deputy Clerk
Dated OCT 8 1999

①

PIN: 13-26-313-022

Property Address: 3634-3636 W. Wrightwood
Chicago, Illinois 60647

54

This is to certify that the within and attached document is a full, true and correct copy of the original thereof as the same appears on file in the office of the Clerk of the United States Bankruptcy Court for the Northern District of Illinois.

WAYNE E. NELSON
CLERK OF COURT
By: *[Signature]*
Deputy Clerk
Dated: July 1, 1999

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS

JUL 01 1999

WAYNE E. NELSON, CLERK
DEPUTY CLERK

ANGEL LOPEZ
and ISABEL LOPEZ,

Joint Debtors.

-) Chapter 13 Proceeding
-) No. 98B33170
-)
-)
-) Hearing Date June 22, 1999 10:30 a.m.
-) *Hon. Joan Humphrey Lefkow*

DEBTORS' FOURTH AMENDED CHAPTER 13 PLAN

NOW COME the Debtors, ANGEL LOPEZ and ISABEL LOPEZ, by and through their attorneys, Keevan D. Morgan and Rakesh Khanna of Morgan & Bley, and propose their Fourth Amended Chapter 13 Plan, to wit:

Article I. Preamble

1.1 The purpose of amending this Plan to the Fourth Amended Plan is to provide for more favorable treatment for the claim of Viking Credit Corp., and to reflect the compromise made with Viking; to provide for the payment of a small claim filed by GMAC that the Debtors had not previously scheduled because they believed it did not have to be paid because it was their understanding that it had been "charged off" prior to the filing of their petition for relief; and to provide for the payment of the new claim filed by Universal Card.

1.2 The Debtors are individuals, husband and wife, not stockbrokers or commodity brokers, whose income is sufficiently stable to enable them to make payments under a Plan under Chapter 13 of Title 11, United States Code. The Debtors owe noncontingent, liquidated, unsecured debts aggregating less than \$250,000; and owe noncontingent, liquidated, secured debts aggregating less than \$750,000.

PIN: 13-26-313-022

*Property Address: 3634-3636 W. Wrightwood
Chicago, Illinois 60647*



52

1.3 No other proceeding under Title 11 initiated by or against the Debtors, other than this one, is now pending.

1.4 Before the filing of this case, the Debtors were unable to pay the claims outstanding against them as they matured, and therefore they propose to discharge those claims according to the terms and conditions of this Plan.

Article II. Synopsis

2.1 **The Plan calls for payments of \$4,493.93 per month to the Trustee. Other payments will be made outside the Plan.** The Debtors' business consists of the ownership and management of parcels of land and improved commercial, non-homestead real estate located at 3634-3636 W. Wrightwood Avenue, Chicago, Illinois, consisting of a laundromat, a grocery store, and four residential rental income apartments ("the Wrightwood Property"). The Debtors own the laundromat and the grocery store individually. The Debtors had five creditors with whom they became delinquent prior to the filing of the Chapter 13 case; one of these, the Cook County Collector, has been paid in full for past due real estate taxes after the filing of the Debtor's Petition for Relief, leaving as creditors, Park National Bank & Trust ("Park National"), Viking Credit Corp. ("Viking"), GMAC, and Universal Card. Assuming confirmation in June, 1999, the 4th Amended Plan provides for the Debtors to utilize the cash flow of the Wrightwood Property to make payments to creditors and to cure all prepetition defaults through a combination of monthly payments and/or the "refinancing" of the Wrightwood Property within the remaining 24 months before the Park National Note becomes due by its own terms. The Plan assumes that on confirmation, the Debtors will have payments on hand with the Chapter 13 Trustee equal to \$23,600.

Article III. Classification And Treatment Of Claims

3.1 The five creditors of the Debtors are classified into the following four Classes of Creditors:

3.1.1 Class 1 Park National Claim. The Class 1 Park National Claim is a claim secured by an undisputed first mortgage lien on the Wrightwood Property. The claim will be paid by the Debtors, as follows:

- a. The pre-petition arrearage claim is in the amount of \$57,609.81 (including all pre and post-petition attorneys' fees and all foreclosure expenses). This amount will be paid \$8,534 down from the monies on hand with the Chapter 13 Trustee, plus 24 equal monthly payments of \$2,241.99 on the balance of \$49,075.81 inside the Plan, including simple interest at the rate of 9% per annum.
- b. The Debtors shall make their prospective current regular monthly mortgage payments directly to Park National outside the Plan. These current payments shall be made at the offices of Park National's lawyers, Zenoff & Zenoff.
- c. The balance of all principal and any other amounts due shall be paid on or before the 24th anniversary month of Confirmation outside the Plan.
- d. Should the Debtors at any time before June 17, 2001, become more than one (1) calendar month in default of any payment called for herein, then without further order of the Bankruptcy Court, the Bank may proceed with its foreclosure case in the Circuit Court of Cook County Illinois, No. 98 CH 03054, styled *Park National Bank and Trust of Chicago v. Angel Lopez, et al.*, including, without limitation, the entry of an Order of Foreclosure in a form reasonably acceptable to Park National, or as approved by the Foreclosure Court. The Debtors agree not to oppose the entry of the said judgment of foreclosure upon any ground other than that the allegedly defaulted payment(s) were not more than one (1) calendar month overdue when the Bank proceeded with the said foreclosure case.

3.2.2 Class 2 Viking Claim. The Viking Claim will be treated as an undisputed secured claim, against the washing machines and dryers in the Laundromat and the leasehold improvements in the entire Wrightwood Property, in the amount of \$73,288.79, plus attorneys' fees and post petition interest at 2 percent over the "prime" rate as described in the Purchase and Security Agreement between Viking and the Debtors. This claim will be paid in full, as follows:

- a. \$13,650 down at confirmation from the amount on hand with the Chapter 13 Trustee (including any "adequate protection" payments made prior to confirmation from the funds on hand with the Chapter 13 Trustee), plus 24 fixed monthly payments of \$1,950 inside the Plan on the principal balance of \$62,138.79 (plus attorneys' fees), with post-petition interest to accrue at two (2) percent over the "prime rate" as set forth in the transactional documents between Viking and the Debtors.
- b. The balance due after all monthly payments on or before June 17, 2001 to be paid outside the Plan. If the balance has not then been paid in full, the Debtors will list the Wrightwood Property for sale with a broker and at a price acceptable to the Debtors, Park National, and Viking, and Viking will be paid the balance upon the closing of the sale of the Wrightwood Property. If the Parties cannot agree on a broker and/or a price, then the Court shall hold a hearing concerning the Parties' recommendations therefor, and choose the broker and the price from the evidence presented.
- c. In order to further secure the Debtors' obligations to Viking, including balance due and payments to Viking, Viking shall be granted a lien as additional adequate protection against the Joint Debtors' land and improved commercial, non-homestead property commonly known as 3634-3636 West Wrightwood Avenue, Chicago, Illinois, PIN No. 13-26-013-022-0000, identified herein as "the Wrightwood Property," subordinate in all respects to Park National's prior mortgage against same. Viking and the Joint Debtors need not execute any further documents to create such a lien against the land and improved real estate. Viking is authorized to record a copy of this 4th Amended Plan and the Order confirming same and granting Viking additional adequate protection, with the Recorder of Deeds of Cook County, Illinois. The automatic stay as provided for in 11 U.S.C. § 362(a) will be modified to allow Viking to so record said Plan and Order, and the Order Confirming this Plan will so provide. If the Debtors

"refinance" the Wrightwood Property at any time while a balance is due to Viking, for the primary purpose of obtaining working capital for the laundromat and/or grocery store (no other interim refinancing being permitted hereunder), then Viking shall receive half of all such refinanced new money amount, to be applied to the debt due Viking, including the attorneys' fees and interest described herein. Any such refinancing(s) shall not exceed the gross sum of \$80,000 in total during the term of this Plan. Viking shall not be entitled to any prepayment or similar penalty by reason of such payment.

- d. Should the Debtors at any time before June 17, 2001, become more than one (1) calendar month in default of any payment called for under this Plan, then without further order of the Bankruptcy Court, Viking may proceed with a foreclosure case in the Circuit Court of Cook County, Illinois, including, without limitation, the entry of an Agreed Order of detinue, replevin and/or Foreclosure in a form reasonably acceptable to Viking (and Park National should it appear in any such foreclosure case), or as approved by the Court. The Debtors agree not to oppose the entry of the said judgment of detinue, replevin, and/or foreclosure upon any ground other than that the allegedly defaulted payment was not more than one (1) calendar month overdue when Viking proceeded with the said replevin, detinue, and/or foreclosure case.
- e. The Debtors agree not to object to the Class 2 Viking Claim in the sum of \$73,288.79 (including pre-petition attorneys' fees, costs, and interest, plus allowance of \$4,000 in attorneys' fees and costs for all Chapter 13 services by all of Viking's counsel up to and including the date confirmation hearing, and Viking agrees to accept said \$4,000.

If Viking objects to confirmation, then the Debtors reserve the right to object to either or both of the base Viking claim, and or the attorneys' fees claimed by Viking.

3.3.3 Class 3 GMAC Secured Claim. The GMAC Class 3 Claim is in the amount of \$1,664.79, and will be paid in full from the refinancing or sale proceeds relating to the Wrightwood Property, including 9% simple interest. The Debtors may prepay this claim at any time without penalty.

3.3.4 Class 4 Universal Card Unsecured Claim. The Class 4 Universal Card Unsecured Claim in the sum of \$3,388.17 will be paid in full from the refinancing or sale proceeds relating to the Wrightwood Property, including 9% simple interest. The Debtors may prepay this claim at any time without penalty.

3.4 General Right To Refinance Or Sell To Pay Creditors. Nothing in this Plan shall be construed to prohibit the Debtors from refinancing or selling the Wrightwood Property or either business at any time in an amount sufficient to pay Park National and Viking in full, which rights the Debtors specifically retain and are granted in this Plan.

Article IV. Budget Analysis

4.1 The Debtors restate and adopt the budget analysis from their Second Amended Plan except that the regular monthly payment to Park National will be reduced from \$3,916 to \$3,177 to reflect that as of the case filing date, Park National will no longer charge default interest (13.25% per annum, as opposed to 9.25% per annum as initially provided in Park National's Note). This \$739 per month will be added to the Debtors' disposable income under the Plan, as will \$700.93 per month from the guarantees described below. Together, these items will increase the monthly payments from the Chapter 13 Trustee to \$4,493.93 per month, rather than the \$3,004 per month provided for in the Second Amended Plan. In addition, the Debtors believe that they will be able to hold costs steady, while increasing the gross rents and business income by at least a modest 5% per year to cover any taxes, reserve for repairs and upkeep, and other adjustments to this Plan as may be necessary. This will add \$436 per month in the first year of the Plan ($\$8,730 \times 105\%$), \$894 per month in the second year ($\$8,730 \times 105\% \times 105\%$), and \$1,376 per month in the final 5 months of the Plan ($\$8,730 \times 105\% \times 105\% \times 105\%$), for a total of \$22,840. To the extent that these increases in income are not needed to pay their federal and state income taxes, and/or the Plan payments set forth herein to Park National and Viking only, the Debtors shall distribute outside the Plan 50% of such monies each to Park National and Viking on or before May 15 (a

convenient date after taxes are due), of each calendar year beginning with the Debtor's 1999 Federal income tax return due in 2000, and for each tax year thereafter during the term of the Plan. Park National and Viking shall issue such documentation to the Joint Debtors and the Trustee to ensure such payments are properly credited against their respective secured claims herein. Also, the Debtors will be able to draw upon \$800 per month in guarantees from two of their children.

4.2 Monthly Plan Payment Synopsis: Based upon the Debtors' obligations under the Plan and their budget, the following payments will be made each month during the term of the Plan:

Plan payments:	\$	4,443.93 (includes \$700.93 guarantees)
Trustee's Fees @ 6%	-	251.94
Park National Payment	-	2,241.99
Viking Payment	-	<u>1,950.00</u>
Balance		0

The Plan anticipates that the Guarantees will be drawn upon outside the Plan for some time in the beginning months of the Plan until the increased income delineated in paragraph 4.1 hereof takes effect. In case of default under this Plan, all monies on hand with the Chapter 13 Trustee shall be divided pro-rata between Park National and Viking, less the Chapter 13 Trustee's fees.

4.3 Administrative Claims: Administrative Expense Claims will be paid as follows:

4.3.1 Morgan & Bley and Barrie Yacher: All Attorneys' fees are subject to ultimate approval by the Court.

4.3.2 **Chapter 13 Trustee Fees:** The Chapter 13 Trustee shall receive its percentage fee on any Plan payments pursuant to the Confirmation Order, as and when such funds are paid. At the time of Confirmation, the Chapter 13 Trustee will be owed 6% of the \$23,600 on hand, being the sum of \$1,416.

Article V. Limited Guaranties Of Chapter 13 Payments

5.1 Two of the Debtors' children, Angel Lopez, Jr., and Norma I. Vega, by signing this Plan, unconditionally guarantees \$400 per month each (for a total of \$800) towards the Debtors' Chapter 13 Plan payments. Such guarantees will automatically terminate upon (a) the conversion of the case to one under Chapter 7; (b) the dismissal of the case; (c) the initiation or continuation by Park National or Viking of any foreclosure, replevin, or other enforcement proceeding as set forth in Article III hereof regarding Park National's mortgage, and/or the liens heretofore granted to Viking and/or granted to Viking under this Plan. Such termination will not, however, release either or both guarantors from any liability for monthly payments accrued before such termination. The purpose of these guarantees is for the Debtors's said children to help ensure that their parents are able to make the monthly payments to the Chapter 13 Trustee, but not to make them responsible for the Debtors' overall debt and/or secured debt to Park National and/or Viking should the Chapter 13 case fail and/or should Park National and/or Viking look to its Collateral for payment of their underlying debt.

Article VI. Waiver Of Claims Objections

6.1 Except as provided for hereinabove, the Debtors will not object to the claim of any creditor who affirmatively accepts this Plan.

Article VII. Request For Confirmation

7.1 The Debtors hereby request that their 4th Amended Plan of Reorganization be confirmed.

ANGEL AND ISABEL LOPEZ

BY: [Signature]
One of their Attorneys

[Signature]
ANGEL LOPEZ

[Signature]
ISABEL LOPEZ

Keevan D. Morgan
Morgan & Bley
20 N. Clark Street
Suite 444
Chicago, Illinois 60602
312.857.0001

Barrie M. Yacher
221 N. LaSalle Street
Chicago, Illinois 60601
312.726.4044

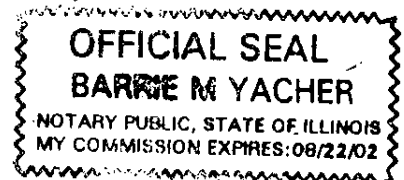
Plan Payments Guaranteed as aforesaid: [Signature]
Angel L. Lopez, Jr.

Plan Payments Guaranteed as aforesaid: [Signature]
Norma I. Vega

State of Illinois)
)SS
County of Cook)

I, Barrie M. Yacher, a notary public in and for the County of Cook, State of Illinois, hereby declare that the above signed Guarantors, Angel L. Lopez, Jr., and Norma I. Vega, personally known to me and/or identified to me their drivers' licenses, did execute before me the above guaranties this 23rd day of June, 1999.

[Signature]
Barrie M. Yacher



Property of Cook County Clerk's Office



Return Documents to:
Anthony V. Ponzio
Attorney at Law
205 W. Randolph St., Ste. 1750
Chicago, Illinois 60606