

INSTRUCTIONS FOR CHAPTER 11 CONFIRMATION CHECKLIST

Pursuant to § 1129(a), the Court must make affirmative findings on each of the points listed on the attached checklist. Therefore, the proponent of a plan must do the following in regard to each numbered statement on the checklist:

1. If so, so state. If not, § 1129(c) will apply.
2. If not debtor's plan, state that requirements of § 1121 are met.
3. If no securities issued, so state. If securities issued, state whether registered or exempt from registration by § 1145.
4. So state.
5. So state. If pre–confirmation payments made, explain and show reasonableness.
6. So state. Submit schedule.
7. So state. Submit schedule.
8. So state. Submit schedule.
9. State number of classes and describe. If unsecured are subclassified, explain.
10. State which class or classes have accepted the plan.
11. State whether there are dissenting members of accepting classes: if there are, show that plan meets best interest of creditors test [§ 1129(a)(7)]. Submit liquidation balance sheet.
12. State whether there are impaired classes that have not accepted the plan: if there are, show that plan is fair and equitable [§ 1129(b)(1)]. Explain treatment and provide evaluations where necessary. Submit brief synopsis explaining treatment of interest holders.
13. Be prepared to offer proof of feasibility, testimonial or otherwise. Prepare and submit schedule of total payments.
14. State whether regulatory commission is involved. If yes, show approval.

The attached checklist and schedules are intended to lend order and coherence to Chapter 11 confirmation hearings. The Court strongly urges the proponent of a plan to follow the checklist sequence at the hearing and to prepare the requested schedules in a timely fashion.

As is the case with any standardized format, this one was composed with the typical case in mind. If yours is an extraordinary case, it may not fit nicely into the format. However, to the extent possible, it is recommended that you adhere closely to the basic requirements and spirit of the guidelines.

CHAPTER 11 CONFIRMATION CHECKLIST

A. VALIDITY:

1. This is the only proposed plan in this case.
2. The proponent is entitled to propose a plan at this time and has conformed to the disclosure and solicitation requirements of section 1123 and 1125.
3. The plan is proposed in good faith and not by any means forbidden by law. The principal purpose of the plan is not the avoidance of taxes or avoidance of § 5 of the Securities Act of 1933.
4. The plan prohibits the issuance of non-voting equity securities and provides for an appropriate distribution of voting power among the various classes of equity security holders.

B. TREATMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS:

5. The proponent has disclosed all payments already made or proposed to be made under the plan and any payments made or to be made prior to confirmation is reasonable.
6. All administrative and involuntary gap expenses will be paid in full on the effective day of the plan.
7. All wage, benefit plan and consumer deposit claims will be paid in accordance with the provisions of §1129(a) (9).
8. All tax claims will be paid in full over a period of time not to exceed 5 years after the date of the order for relief.

C. TREATMENT OF NON-PRIORITY CLAIMS AND INTERESTS:

9. All classes of claims and interests have been properly designated.
10. At least one class (exclusive of insiders) has accepted the plan.

BEST INTERESTS OF CREDITORS:

- 11(a). The plan is in the best interests of creditors. All dissenting holders of claims or interests will receive or retain property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under Chapter 7, except that:
- 11(b). If the holder of a claim is a member of a class to which §1111 (b) (1) applies, such holder will receive or retain under the plan property of a value that is not less than the value of such creditor's interest in the collateral securing the claim.

CRAMDOWN:

- 12(a). There are impaired classes that have not accepted the plan.
- 12(b). The plan provides for fair and equitable treatment (as provided for in §1129(b) (1) (A)) of impaired secured creditors who have not accepted the plan.
- 12(c). Each impaired unsecured class and all below it in priority are treated according to the absolute priority rule (as provided for in §1129(b)).

D. FEASIBILITY:

13. Adequate means for execution of the plan has been provided and confirmation of the plan is not likely to be followed by liquidation or further reorganization.
14. Any regulatory commission with jurisdiction over the rates of the debtor has approved any rate change provided for in the plan.

ATTACH SCHEDULE OF CLAIMS

II. PRIORITY CLAIMS

| <u>CLASS OF CLAIMS</u> | <u>AMOUNT</u> | <u>YES/NO/NA</u> | <u>TREATMENT</u> |
|------------------------|---------------|------------------|------------------|
|------------------------|---------------|------------------|------------------|

| | | | |
|--------|----------|-------|-------|
| Wages: | \$ _____ | _____ | _____ |
|--------|----------|-------|-------|

| | | | |
|--|----------|-------|-------|
| | \$ _____ | _____ | _____ |
|--|----------|-------|-------|

| | | | |
|-----------|----------|-------|-------|
| Benefits: | \$ _____ | _____ | _____ |
|-----------|----------|-------|-------|

| | | | |
|--|----------|-------|-------|
| | \$ _____ | _____ | _____ |
|--|----------|-------|-------|

| | | | |
|--------|----------|-------|-------|
| Taxes: | \$ _____ | _____ | _____ |
|--------|----------|-------|-------|

| | | | |
|--|----------|-------|-------|
| | \$ _____ | _____ | _____ |
|--|----------|-------|-------|

| | | | |
|--|----------|-------|-------|
| | \$ _____ | _____ | _____ |
|--|----------|-------|-------|

| | | | |
|--|----------|-------|-------|
| | \$ _____ | _____ | _____ |
|--|----------|-------|-------|

| | | | |
|--|----------|-------|-------|
| | \$ _____ | _____ | _____ |
|--|----------|-------|-------|

| | | | |
|--|----------|-------|-------|
| | \$ _____ | _____ | _____ |
|--|----------|-------|-------|

Total: \$ _____

III. CLASSES WHICH PROVIDE FOR PAYMENT AT CONFIRMATION

CLASS

PAYMENT AT
CONFIRMATION

| | | |
|-------|-------|----------|
| _____ | _____ | \$ _____ |
|-------|-------|----------|

| | | |
|-------|-------|----------|
| _____ | _____ | \$ _____ |
|-------|-------|----------|

| | | |
|-------|-------|----------|
| _____ | _____ | \$ _____ |
|-------|-------|----------|

| | | |
|-------|-------|----------|
| _____ | _____ | \$ _____ |
|-------|-------|----------|