

Appendix 3A. Chapter 12 or Chapter 13 Plan.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH DAKOTA

In re:) Bankr. No. 10-90000
) Chapter 13
WADE GUY EARNER)
aka W.G. Earner)
SSN/ITIN xxx-xx-0000)
) PLAN DATED MARCH 1, 2011
and)
)
WANDA GAL EARNER)
SSN/ITIN xxx-xx-0001)
)
Debtors.)

1. Payments by Debtors to Trustee.

Debtors will pay the trustee \$750.00 per month for 36 months (the "plan term"), for a total of \$27,000. Debtors will also turn over to the trustee 100% of their federal income tax refunds, after any statutory off-set by the IRS, for tax years 2011, 2012, and 2013. Debtors will make the first plan payment on or before May 2, 2011 and the last plan payment on or before April 1, 2014.

2. Payments by Trustee to Administrative Expense Holders and Creditors.

a. Administrative Expenses (priority claim).

<i>Creditor</i>	<i>Claim</i>	<i>Payment</i>	<i>Months</i>	<i>Total</i>
Joseph J. Jones, Esq.	\$1,500.00	\$100.00	1-15	\$1,500.00
	(estimated)			

This priority claim will not be paid until Attorney Jones files an application for compensation and reimbursement and the Court approves that application. The actual amount of the monthly payment will be calculated based on the Court's separate order awarding compensation and reimbursement. If the Court awards fees that total less than the above estimate, unsecured creditors may ultimately receive a distribution that is more than the estimate shown below. If the Court awards fees that total more than the above estimate, Debtors may file a motion to modify their confirmed plan to provide for those additional fees. If that modification is approved, unsecured creditors may receive a distribution that is less than what is set forth in this plan.

b. Other Priority Claims.

<i>Creditor</i>	<i>Claim</i>	<i>Payment</i>	<i>Months</i>	<i>Total</i>
IRS	\$5,000.00	\$138.88	1-36	\$5,000.00

c. Secured Claims - Arrearage Only.

<i>Creditor</i>	<i>Amount</i>	<i>Interest</i>	<i>Payment</i>	<i>Months</i>	<i>Total</i>
E-Z Finance Co.	\$533.72(arrearage)	18%	\$18.08	1-36	\$650.88
Equity Holders, LLP	\$2,106.81(arrearage)	12.7%	\$67.19	1-36	\$2,418.84

In addition to the above payments to cure the arrearage in payments, Debtors will make the regular payments on these secured claims as they come due, directly to the creditors, as provided below in paragraph 3.b.

d. Other Secured Claims.

	<i>Amount</i>	<i>Interest</i>	<i>Payment</i>	<i>Months</i>	<i>Total</i>
E-Z-R Finance Co.	\$7,000.00	8.00%	\$154.79	1-36	\$5,572.44
	(includes arrearage of \$815.13)				

After the 36th month, Debtors will continue making 18 payments of \$131.34 per month until E-Z-R Finance Co.'s debt is paid in full. This secured creditor will retain its lien until its secured claim is paid in full.

	<i>Amount</i>	<i>Interest</i>	<i>Payment</i>	<i>Months</i>	<i>Total</i>
Auto Sales, Inc.	\$5,000.00	9.91%	\$161.12	1-36	\$5,800.32

Pursuant to 11 U.S.C. § 1325(a)(5), the amount of Auto Sales, Inc.'s secured claim is the value of the vehicle securing the debt. This secured creditor will retain its lien until its secured claim is paid in full.

	<i>Amount</i>	<i>Interest</i>	<i>Payment</i>	<i>Months</i>	<i>Total</i>
IRS	\$1,941.86	4.0%	\$57.33	1-36	\$2,063.88

The IRS will retain its lien until Debtors have been granted a discharge and the IRS's secured claim plus interest has been paid in full.

e. Unsecured, Non-priority Claims. After making the payments to priority and

secured creditors described above, the trustee will distribute the balance of the payments made by Debtors to unsecured creditors who timely file a proof of claim. If an unsecured creditor receives appropriate notice of the case but fails to timely file a proof of claim, that unsecured creditor's claim will be discharged to the extent set forth in 11 U.S.C. § 1328(a) when Debtors complete all plan payments. If all unsecured creditors known to Debtors timely file proofs of claim, each unsecured creditor will be paid approximately 51.37% of its claim.

f. Disbursements by the trustee. After deducting his statutory fee allowance, the trustee will disburse available funds first to claims with installment payment schedules in the following order: administrative expenses, including attorney fees, unsecured priority claims, and secured claims. Thereafter, the trustee will disburse available funds to claims without installment payment schedules in the following order: administrative expenses, including attorney fees, priority claims, and unsecured non-priority claims.

3. Payments by Debtors Directly to Creditors.

a. Secured Claims Not in Default.

<i>Creditor</i>	<i>Claim</i>	<i>Payment</i>	<i>Frequency</i>
E-Z-Est Finance Co. -- home, second mortgage	\$4,500.00	\$95.61	monthly, 60 months
Cloistered Home Equity -- line of credit	\$3,888.00	\$72.03	monthly, 72 months

Debtors will make all required regular payments on these secured claims not in default until paid in full according to the terms of the original agreements between Debtors and these creditors. These payments will be made directly to these creditors, not to the trustee, and will not be subject to the trustee's supervision or control. The creditors will receive no payment in any amount from the trustee on account of these claims. Each secured creditor listed here will retain its lien until its secured claim is paid in full.

b. Secured Claims in Default.

<i>Creditor</i>	<i>Amount</i>	<i>Interest</i>	<i>Payment</i>	<i>Frequency</i>
E-Z Finance Co. -- home, first mortgage	\$107,982.00	5.2%	\$657.06	monthly, 288 months
Equity Holders, LLP -- small business loan	\$11,299.16	8.7%	\$151.23	monthly, 109 months

Debtors will make the regular payments on these secured claims until paid in full according to the terms of the original agreements between Debtors and these creditors. These payments by Debtors are in addition to the payments made on the portion of these secured claims that are in default (arrearage claims), which the trustee is paying through the plan as provided in paragraph 2.c. Each secured creditor listed here will retain its lien until its secured claim is paid in full.

4. Disposable Income. If the trustee or an unsecured creditor objects to confirmation of this plan, all of Debtors' disposable income to be received during the plan term will be applied to make payments under this plan.

5. Other provisions. Debtors agree to timely file all post-petition federal, state, and local tax returns, and to pay all post-petition taxes as they come due.

6. Attachments. Attached to this plan and incorporated by reference is a liquidation analysis that demonstrates creditors will receive as much or more under this plan than they would if Debtors' non-exempt assets were liquidated in a chapter 7 bankruptcy. Also attached is an Exhibit Schedule I, which sets forth changes in Debtors' income that occurred post-petition due to a change in employment for Debtor Wade Guy Earner.

Dated: March 1, 2011.

/s/
Wade G. Earner

/s/
Wanda G. Earner

/s/
Joseph J. Jones, Esq.
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Attachment A - Liquidation Analysis
In re Wade and Wanda Earner, Bankr. No. 10-90000

	Market Value	Valid Encumbrances	Claimed Exemption	Equity
Real Property:				
123 North Park Place, Justice, SD	\$140,000.00*	\$111,000.00 Bob's Bank 500.00 IRS 500.00 total judgment liens	\$ 30,000.00	\$ 0.00
414 View Road, Hill City, SD	45,000.00	37,000.00 Bob's Bank	0.00	8,000.00
Vehicles:				
2001 Mercury	2,500.00	0.00	2,500.00	0.00
Other Personal Property:				
Cash	10.00**	0.00	10.00	0.00
Checking account	100.00**	0.00	100.00	0.00
Wearing apparel	200.00	0.00	200.00	0.00
Household goods	580.00	0.00	580.00	0.00
Golf clubs, bicycle	950.00***	0.00	950.00	0.00
Life insurance	6,214.00	0.00	6,214.00	0.00
TOTAL AVAILABLE EQUITY:				\$8,000.00

NOTES:

*Based on a post-petition appraisal, this figure is \$2,500.00 more than the value listed on Debtors' schedules.

** Available cash and bank accounts have fluctuated since the petition. These are the current sums.

*** The bicycle was wrecked post-petition, and its value is now \$234.00 less than the value on Debtors' schedules.

SEE COMMITTEE NOTES ON FOLLOWING PAGE

Committee Notes

In the caption title, do not repeat the chapter number or use the word "Debtor" or "Debtor's" in the title (no one but the debtor may file a chapter 12 or chapter 13 plan). If the plan has been modified, the proper title is "Modified Plan Dated [date]," regardless of the number of times it has been modified. Do not include "Second," "Third," etc.

In paragraph 3, clearly identify all creditors whose claims are to be paid directly by the debtor and describe whether the claim relates to a home mortgage, a contract for deed, an automobile loan or lease, or some other type of debt. If there are no creditors whose claims are to be paid directly by the debtor, delete this paragraph and renumber the remaining paragraphs accordingly.

Regarding paragraph 4, because the trustee routinely objects to confirmation of any plan that neither proposes to pay all unsecured creditors in full nor offers disposable income, the debtor may wish to consider avoiding such an objection by deleting "If the Trustee or an unsecured creditor objects to confirmation of this plan" and simply offering disposable income in the initial plan. See 11 U.S.C. §§ 1225(b) or 1325(b) for determination of disposable income period.

Regarding paragraph 5, see 11 U.S.C. §§ 1222(b) or 1322(b) for a non-inclusive list of possible "other provisions," including assumption or rejection of executory contracts. Include in this paragraph the maximum amount, terms, and lender for any planned borrowing in the ordinary course of business during the plan term. *Always* include the first provision regarding the filing of tax returns and paying taxes as it is applicable in any chapter 12 or chapter 13 plan.

If the debtor is engaged in business (including farming), include as an attachment and reference in paragraph 6, a statement of the debtor's income and expenses for the past 12 months, and a projection of the debtor's income and expenses during the plan term.

Two memos detailing preferred plan language when either the Internal Revenue Service or the Farm Service Agency is a creditor in a chapter 12 or chapter 13 case are available on the Court's website at www.sdb.uscourts.gov under Practice Pointers. The memos were prepared by the United States Attorney's office.

In the mandatory attached liquidation analysis, if a debtor's real or personal property has changed since the schedules were filed, the liquidation analysis should explain each addition, deletion, or change in value.