

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

2002 MAR 19 AM 8:16
CLERK U.S. BANKRUPTCY COURT
BY _____ DEPUTY

IN RE: § CASE NO. 02-11580
RUSTY GLEN PHILLIPS §
AND §
MICHELLE DENISE PHILLIPS §
DEBTOR, § CHAPTER 13

CHAPTER 13 PLAN

The debtors propose the following Chapter 13 Plan and makes the following declarations:

1. PROPERTIES AND FUTURE EARNINGS OR INCOME SUBJECT TO THE SUPERVISION AND CONTROL OF THE TRUSTEE:

1. Future earnings or income of \$120.00 for sixty (60) months of the plan.
2. Surrender of property herein.
3. Amounts necessary for the payment of Class Five claims.

2. DURATION:

The payments shall be made over a period of sixty (60) months.

3. CLASSIFICATION AND TREATMENT OF CLAIMS:

1. **CLASS ONE** - Claims entitled to priority under Title II,

U.S.C. Sec. 507. The debtor will pay Class One claims in full, in deferred cash payments as follows:

	Allowed Priority Claim	Monthly Payment	Number of Total Payments Payments
a. Allowed Administrative expenses:			
(1) Trustee:	\$ 720.00		

(2) Attorney's

Fees: \$1,500.00 (first available)

b. Taxes:

Internal Revenue Service	ALLOWED CLAIM	MONTHLY PAYMENT	INTEREST RATE	NUMBER MONTHS	TOTAL
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NONE

2. CLASS TWO - The allowed secured claims set forth below. Class Two does not include a claim secured solely by an interest in real property that is the debtor's principal residence. The duly filed and allowed Class Two Claims shall be paid in monthly payments as set forth below. The value of the monthly payments on the effective date of the plan is equal to the allowed secured claim. Each creditor shall retain its lien. Debtor is the owner of the property serving as collateral for payment of the secured claims of Class Two. The debtor is aware of the condition of the collateral and knows its value. On the effective date of the Plan the property has the value set forth under the heading "Allowed Secured Claim". The value is based upon disposition of said property in a commercially reasonable manner. The value as of the effective date of the Plan, of the series of payments to be distributed under the Plan on account of each allowed secured claim provided for by the plan is equal to the allowed amount of such claim, based upon a present value computation, using a discount rate of 8% per annum.

CREDITOR	ALLOWED CLAIM	MONTHLY PAYMENT	INTEREST RATE	NUMBER OF MONTHS	TOTAL
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NONE

3. CLASS THREE A - Claims set forth below secured only by interests in real property that is the Debtor's principal residence. Defaults shall be cured and regular payments shall be made.

CREDITOR	ALLOWED SECURED CLAIM	MONTHLY PAYMENT	INT	NUMBER OF MONTHS	TOTAL PAYMENTS
(1) HomeEq (Home Arrears)	\$2,465.00	\$ 52.37	10%	60	\$3,142.44
(2) Wood County Tax Collector (Property Taxes)	\$1,500.00	\$ 30.41	8%	60	\$1,824.87

CLASS THREE B - Secured or unsecured claims set forth below on which the last payment is due after the date on which the final payment under the plan is due. Default shall be cured and regular payments shall be made.

NAME OF CREDITOR	AMOUNT IN DEFAULT	MONTHLY PAYMENT	NUMBER OF MONTHS
None			

4. CLASS FOUR - Allowed unsecured claim not otherwise

referred to in the Plan. Class Four claims are provided for and shall be paid as follows:

Class Four claims are of one class and shall be paid pro rata 0% of such claims.

5. CLASS FIVE - Post petition claims allowed under Sec. 1305, Title 11, United States Code.

Post-Petition claims allowed under Section 1305, shall be paid in full in equal monthly installments, which installments commence on the date of the allowance of said claim and conclude on the last payment date under the Plan.

4. OTHER PROVISIONS:

The following executory contracts and unexpired leases are rejected:

None

2. The following claims are excluded and are not provided for by the Plan.

3. The effective date of this Plan shall be the date of entry of the order confirming the Plan.

4. Avoidance of liens on exempt property. On the date of the filing of the petition under Chapter 13 of the Bankruptcy Code, the following creditors had judicial liens upon the Debtor's property:

None

In addition, the following creditors have non-possessory, non-purchase money security interests in my household furnishings, household goods, wearing apparel, appliances, books, animals, crops, musical instruments or jewelry, described in the tabulation below, all of which are held in my use, or for the use of my family, or household, or dependents:

NAME OF CREDITOR	DESCRIPTION OF PROPERTY	DATE OF LIEN
None		

I have claimed and am entitled to claim the property subject to said judicial and non-possessory, non-purchase money security interest as exempt under Section 522(b) of the Bankruptcy Code. If the liens of said creditors impair said exemption, then, as a part of this plan, said liens will be avoided.

5. Comparison with Chapter 7. The value as of the effective date of the Plan of property to be distributed under the plan on account of each allowed unsecured claim is not less than the amount that would be paid on such claim if the estate of the Debtor were liquidated under Chapter 7, Title 11, United States Code on such date.

6. The debtor will be able to make all payments. The debtor will be able to make all payments and comply with all provisions of the Plan, based upon the availability to the debtor of the income and property the debtor proposes to use to complete this Plan. The debtor is reasonably assured that said income and property is, and will continue to be, available to make the payments and complete the plan.

7. This plan complies with the provisions of Chapter 13 and all other applicable provisions of Title 11 of the United States Code. Any fee, charge, or amount required to be paid under Chapter 13 of Title 28 of the United States Code or required by the Plan to be paid before confirmation has or will be paid prior to confirmation. The plan has been proposed in good faith and not by any means forbidden by law.

8. IN THE ABSENCE OF WRITTEN OBJECTION FILED WITH THE COURT AND SERVED UPON DEBTOR'S COUNSEL, AND UPON THE CHAPTER 13 TRUSTEE AND UPON THE UNITED STATES TRUSTEE, NOT LESS THAN FIVE (5) COURT DAYS PRIOR TO THE DATE FIXED FOR THE HEARING ON CONFIRMATION, THE COURT MAY CONFIRM THIS CHAPTER 13 PLAN AND ACCEPT THE VALUATIONS AND ALLEGATIONS ASSERTED THEREIN.

9. REVESTMENT OF PROPERTY IN DEBTOR.

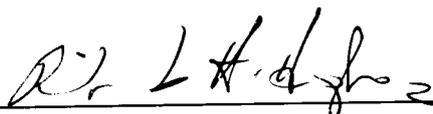
Property of the estate shall revert in the Debtor at such time as a discharge is granted or the case is dismissed. In the event that the case is converted to a case under Chapter 7 or Chapter 11 of Title 11, United States Code, property of the estate shall vest in accordance with applicable law.

DATED this the 17th day of March, 2002


RUSTY GLEN PHILLIPS


MICHELLE DENISE PHILLIPS

Respectfully submitted,



RICHARD H. HUGHES
3535-C South Broadway
Tyler, Texas 75701
(903) 593-8234
State Bar No. 10228050

ATTORNEY FOR DEBTORS

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Chapter 13 Plan has been forwarded to Michael Gross, Trustee, P.O. Box 7097, Tyler, Texas 75711 and to the creditors listed on the attached matrix on this 9 day of March, 2002



RICHARD H. HUGHES

American Bank & Instruments
724 S. Bois D. Arc Ave
Tyler, TX 75701

Bealls
P.O. Box 64
Jacksonville, TX 75766

Capital One
MRS Associates, Inc
3 Executive Campus Suite 400
Cherry Hill, NJ 08002

Checkcare Systems
P.O.Box 702168
Dallas, TX 75370-2168

Classic Cable
P.O. Box 139400
Tyler, TX 75713

Fingerhut
P.O. Box 2900
St.Cloud, MN 56395-2900

Hapkins County Memorial Hospital
P.O. Box 275
Sulphur Springs, TX 75483

Healthstat
P.O. Box 1278
Sulphur Springs, TX 75483-1278

HomeEq
P.O. Box 160101
Sacramento, CA 95816

Hospital Receivables Service Inc
P.O. Box 816165
Dallas, TX 75381

Internal Revenue Service
Special Procedures Branch
1100 Commerce Street, MC5020DAL
Dallas, TX 75242

Michelle's Credit Choice
1054 N. Pacific
Mineola, TX 75773

R.I. Morman
MDPA Pathology Assoc.
P.O. Box 1025
Greenville, TX 75403

R.L. Ingram Family Medicine
801 N. Waldrip
Grand Saline, TX 75140

Red Check Investments
P.O. Box 3938
Cedar Park, TX 78630

Robert D. Bruce
P.O. Box 266
Mineola, TX 75773

Ronald D. Sherbert DO
P.O. Box 553
Grand Saline, TX 75140

Rusty's Credit Choice
1054 N. Pacific
Mineola, TX 75773

Southwest Credit Systems
P.O. Box 115151
Carrollton, TX 75011

Tyler Radiology
P.O. Box 131120
Tyler, TX 75713

United States Attorney's Office
110 North College, Suite 700
Tyler, TX 75702

United States Trustee's Office
110 North College, Suite 300
Tyler, TX 75702

Wood County Tax Office
P.O. Box 1919
Quitman, TX 75783