

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION**

In re:)	
)	
PETER C. PIERCE,)	CHAPTER 11
)	CASE NO.: 05-20780-RS
)	
Debtor.)	
)	

**PLAN OF REORGANIZATION
PROPOSED BY THE DEBTOR**

The above captioned Debtor submits the following Plan of Reorganization to his creditors in accordance with 11 U.S.C. 1121(a).

ARTICLE I: PLAN DEFINITIONS

ADMINISTRATIVE CLAIM means a claim for a cost or expense of administration of the Debtor under Sections 503(b) and 507(a)(1) of the United States Bankruptcy Code that is allowed by a final order of the Bankruptcy Court.

ALLOWED, ALLOWED AMOUNT or ALLOWED CLAIM means a Claim against the Debtor which has been scheduled either originally or by amendment as liquidated in an amount certain (and not as disputed or contingent) or which is set forth in a proper proof of claim filed on or before the Bar Date or which is set forth in a proper request for payment of an Administrative Claim, in each case as to which (i) no party in interest entitled to do so has filed an objection to such Claim (either as a scheduled claim or as set forth in a proof of claim or a request for payment of Administrative Claim), or (ii) if such a party in interest has filed an objection to such Claim, the Claim is allowed by a Final Order of the Bankruptcy Court

(provided, however, that the Claim is an Allowed Claim only to the extent allowed by such Final Order in accordance with applicable law). Without limiting the foregoing, the term “Allowed Claim” shall not include (i) any Claim as to which an objection under 11 U.S.C. section 502(d) has been filed, or (ii) any Claim scheduled as undisputed, liquidated, and non-contingent as to which an objection to such Claim as scheduled has been filed, whether or not a proof of claim has been filed. The term “Allowed,” when used to modify any other term herein shall have a correlative meaning.

BANKRUPTCY CODE or CODE means Title 11 of the United States Code, as is now in effect or hereafter amended.

BANKRUPTCY RULES means the Rules of Bankruptcy Procedure, as amended, and such local rules of the Bankruptcy Court, as are applicable to the Reorganization Case.

BAR DATE means November 30, 2005, for all creditors, such date being the deadline the Bankruptcy Court, for creditors to file Proofs of Claim against the Debtor with respect to Claims that arose on or before the Filing Date.

CLAIM means any right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured.

CONFIRMATION means entry of the Confirmation Order by the Bankruptcy Court of this Plan or any amended plan filed by the Debtor.

CONFIRMATION DATE means the date on which the Clerk of the Bankruptcy Court enters the order of Confirmation on the docket.

FILING DATE is defined herein as October 11, 2005.

COURT is defined as the United States Bankruptcy Court for the Eastern District of Massachusetts.

DISPUTED UNSECURED CLAIM means, respectively, an Unsecured Claim against the Debtor as to which an objection has been or may be timely filed by any party in interest and which objection, if timely filed, has not been withdrawn on or before any date fixed for filing such objection by the Plan or Order of the Bankruptcy Court, and has not been denied by a Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Disputed Claim only to the extent of the objection. Prior to the time that an objection has been or may be timely filed, for the purposes of this Plan a Claim shall be considered a disputed claim to the extent that the amount of the Claim specified in the proof of claim exceeds the amount of the Claim scheduled by the Debtor as other than disputed, contingent or unliquidated.

D.O.R. means the Commonwealth of Massachusetts, Department of Revenue.

EFFECTIVE DATE means the first business day that is eleven (11) days after the Confirmation Date and on which date no stay or appeal of the Confirmation Order is in effect.

FINAL ORDER means an order or judgment of the Bankruptcy Court as entered on the docket that has not been reversed, stayed, modified or amended and as to which the time to appeal, petition for certiorari, or seek reargument or rehearing has expired and as to which no appeal, reargument, petition for certiorari, or rehearing is pending or as to which any right to appeal, reargue, petition for certiorari or seek rehearing has been waived in writing in a manner satisfactory to the Debtor, if an appeal, reargument, petition for certiorari, or rehearing thereof has been sought, the order or judgment of the Bankruptcy Court has been affirmed by the highest court to which the order was appealed or from which the reargument or rehearing was sought, or

certiorari has been denied, and the time to take any further appeal or to seek certiorari, or further reargument or rehearing has expired.

DEBTOR means Peter C. Pierce.

I.R.S. means the Internal Revenue Service.

PRO RATA means, at any time, the proportion that the face amount of a Claim in a particular class bears to the aggregate face amount of all Claims (including Disputed Unsecured Claims) in such class, unless the Plan provides otherwise.

SECURED CLAIM means a Claim that is secured by property of the Individual Debtor's estate within the meaning of Section 506(a) of the Bankruptcy Code.

UNSECURED CLAIM means a Claim that is not secured by a valid and enforceable lien against property of the Debtors' estate.

ARTICLE II: CLASSIFICATION OF CLAIMS

CLASS I: consists of the Secured Claim of Irwin Home Equity.

CLASS II: consists of the Secured Claim of Washington Mutual Bank.

CLASS III: consists of the Secured Claim of American Honda Finance.

CLASS IV: consists of the claims of the Debtor's general unsecured creditors.

ARTICLE III: TREATMENT OF CLASSES OF CLAIMS

CLASS I: The claim in Class I will not be impaired under the Plan. From and after the Effective Date, the Debtor will continue to make the normal monthly payment in accordance with the terms and conditions of the loan documents.

CLASS II: The claim in Class II will be not be impaired under the Plan. Under the Plan, the Debtor will continue to make the normal monthly payment in accordance with the terms and conditions of the loan documents.

CLASS III: The claim in Class III is not impaired under the Plan. From and after the Effective Date, the Debtor will continue to make the normal monthly payment in accordance with the terms and conditions of the loan documents.

CLASS IV: The general unsecured creditors are impaired under the Plan. Under the Plan, the Class IV creditors will be receiving a dividend equal to 10% of their Allowed Claim, without interest, on the Effective Date, assuming the Plan is confirmed as filed and claims are Allowed as set forth on Exhibit 2 to the Disclosure Statement. The payment to the Class IV creditors will be funded by the Debtors' wife's contribution to the Plan and the Debtor's commitment of exempt funds and funds which are not property of the estate.

ARTICLE IV: TREATMENT OF UNCLASSIFIED CLAIMS

All claims for administrative expenses, as that term is defined in 11 U.S.C. 503(b) and 507(a)(1), which are approved and allowed by the Court, including such petitions for fees as may be allowed by the Court, shall be paid in full in cash on the Effective Date or such other time as may be agreed upon by the Debtors and the individual administrative claimant. The administrative expenses to be paid will be fees and expenses awarded to the Debtors' Bankruptcy Counsel, Donald R. Lassman, and the accountant to the Debtors, Matrix Financial, LLP. The fees of Debtor's counsel are not expected to be 17,000.00; counsel's pre-petition retainer is \$19,128.00. The fees of Debtors' accountants, Matrix Financial, which received a retainer of \$4,500.00, are not expected to exceed approximately \$4,500.00.

ARTICLE V: MEANS FOR IMPLEMENTATION OF THE PLAN

1. The Debtor will retain all property of the estate, subject to the liens identified above.

2. Payments to the holders of all claims will be made by the Debtor from the contribution of his post-petition earnings accumulated in the Debtor-in-Possession account, from the Debtor's contribution of exempt equity in his home, and from the contribution of the Debtor's wife, whose contribution totals \$25,000.00. The Debtor's wife's contribution and the withdrawal from the Debtor's Home Equity Line of Credit will be made on the date that the first distribution is to be made to creditors. The Debtor's wife has demonstrated that she currently has access to sufficient funds to satisfy her funding requirement under the Debtor's Plan and there is sufficient credit available to the Debtor on his Home Equity Line of Credit to meet these funding needs.

3. The Debtor will be responsible for timely payment of fees incurred pursuant to 28 U.S.C. Section 1930(a)(6). After confirmation, the Debtors will serve the United States Trustee with a monthly financial report for each month (or portion thereof) the case remains open. The monthly financial report shall include the following:

1. a statement of all disbursements made during the course of the month, whether or not pursuant to the plan;
2. a summary, by class, of amounts distributed or property transferred to each recipient under the plan, and an explanation of the failure to make any distributions or transfers of property under the plan;
3. Debtors' projections as to their continuing ability to comply with the terms of the plan;
4. a description of any other factors which may materially affect the Debtors' ability to consummate the plan; and

5. an estimated date when an application for final decree will be filed with the court (in the case of the final monthly report, the date the decree was filed).

ARTICLE VII: RETENTION OF JURISDICTION

The Court shall retain jurisdiction of this case pursuant to the provisions of Chapter 11 of the Bankruptcy Code in respect to all matters necessary to consummate the within case, including, but not limited to, the following matters:

1. To enable the Debtor to consummate any and all proceedings which may be brought to set aside liens or encumbrances, to determine the validity, extent, amount and enforceability of any lien or to recover any preferential transfer, fraudulent conveyance, or claims for damages to which the Debtor may be entitled under applicable provisions of the Bankruptcy Code or other Federal, State or Local Statute or ordinance;
2. To adjudicate and decide all controversies concerning the classification, allowance or reconsideration of allowance of any claim or equity security interests including, without limitation, the liquidation of claims in connection with any proofs of claim scheduled by the Debtor as disputed, contingent or unliquidated;
3. To determine all claims arising from the rejection of any executory contract or to consummate the rejection and termination thereof;
4. To adjudicate all claims of security or relative to the ownership interest in any of the Debtors' property or any proceeds thereof;
5. To recover all assets and property of the Debtor wherever located;

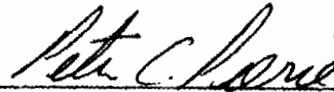
6. To obtain such other orders as may be necessary or appropriate to implement the provisions of the Plan.

ARTICLE VIII: MISCELLANEOUS PROVISIONS

1. This Plan may be altered, amended or modified only by the Debtor before, on, or after the Confirmation Date as provided in 11 U.S.C. 1127.

2. The Debtor reserves the right to revoke and withdraw the Plan prior to the Confirmation Date. If the Debtor revokes or withdraw the Plan, then the Plan shall be deemed null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

Respectfully submitted,



Peter C. Pierce, Debtor-in-Possession

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