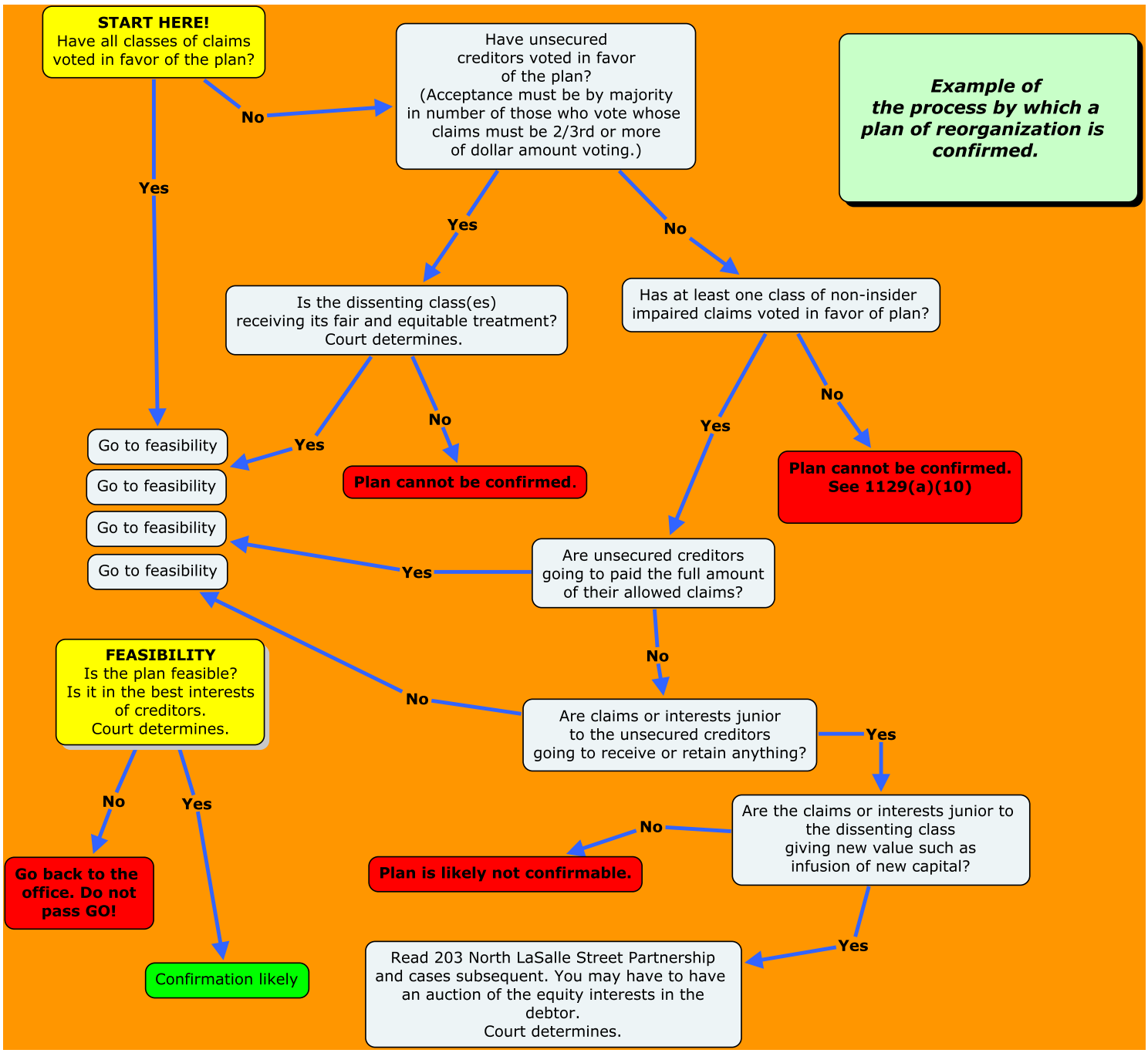
START HERE!
Have all classes of claims voted in favor of the plan?
No
Yes
Have unsecured creditors voted in favor of the plan? (Acceptance must be by majority in number of those who vote whose claims must be 2/3rd or more of dollar amount voting.)
Example of the process by which a plan of reorganization is confirmed.
Yes
No
Is the dissenting class(es) receiving its fair and equitable treatment? Court determines.
Has at least one class of non-insider impaired claims voted in favor of plan?
Yes
No
Yes
No
Go to feasibility
Go to feasibility
Go to feasibility
Go to feasibility
Plan cannot be confirmed.
Plan cannot be confirmed. See 1129(a)(10)
Yes
Are unsecured creditors going to paid the full amount of their allowed claims?
No
FEASIBILITY
Is the plan feasible?
Is it in the best interests of creditors.
Court determines.
No
Are claims or interests junior to the unsecured creditors going to receive or retain anything?
Yes
No
Yes
Are the claims or interests junior to the dissenting class giving new value such as infusion of new capital?
No
Go back to the office. Do not pass GO!
Plan is likely not confirmable.
Yes
Confirmation likely
Read 203 North LaSalle Street Partnership and cases subsequent. You may have to have an auction of the equity interests in the debtor.
Court determines.