



**SO ORDERED.**

**SIGNED this 09 day of February, 2012.**

  
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J. Rich Leonard  
United States Bankruptcy Judge

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**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION**

**IN RE:**

**ISHA HOMES, LLC,  
  
DEBTOR.**

**CASE NO. 11-05834-8-JRL  
  
Chapter 11**

**ORDER**

This matter came before the court on the debtor's motion for confirmation of its chapter 11 plan. A hearing was held on February 7, 2012 in Raleigh, North Carolina.

The debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code on August 1, 2011. On October 31, 2011, the debtor filed its proposed chapter 11 plan and disclosure statement. The plan provides treatment for three classes of creditors. Class 1 and class 2 are made up of secured creditor claims. All creditors in classes 1 and 2 have agreed to their treatment under the plan. No creditors in class 3, the general unsecured claims, cast a ballot. Pursuant to the proposed plan, general unsecured creditors will receive five cents on the dollar, and the debtor's principal will retain his equity interest in the debtor.

Because the debtor failed to obtain ballots from class 3, that class is deemed to have rejected the plan. In re Jim Beck, Inc., 207 B.R. 1010, 1015 (Bankr. W.D. Va. 1997), aff'd, 214 B.R. 305 (W.D. Va. 1997), aff'd, 162 F.3d 1155 (4<sup>th</sup> Cir. 1998). Therefore, the court has no

authority to confirm the plan at this juncture. However, given that the secured classes accepted their treatment under the plan, the court finds it appropriate to extend the time in which the unsecured class may accept or reject the proposed plan by 14 days from the entry of this order.<sup>1</sup> During this time, counsel for the debtor may inform the creditors in the unsecured class of this extension. If no unsecured creditors submit ballots in favor of the proposed plan, debtor's counsel may file an amendment to the plan in which the debtor's principal will purchase the equity interest in the debtor for a stated amount; further the amendment shall provide 10 days notice to all parties that an auction of the equity interest will be conducted in the courtroom if anyone provides notice to the clerk of a willingness to bid a higher amount.

**END OF DOCUMENT**

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<sup>1</sup> This extension is granted pursuant to Rule 3017(c) of the Federal Rules of Bankruptcy Procedure.