

APPENDIX FOUR

Classification of Claims Pursuant to Sec 1122

Sec. 1122. Classification of claims or interests

- (a) Except as provided in subsection (b) of this section, a plan may place a [claim](#) or an interest in a particular class only if such [claim](#) or interest is substantially similar to the other [claims](#) or interests of such class.
- (b) A plan may designate a separate class of [claims](#) consisting only of every unsecured [claim](#) that is less than or reduced to an amount that the court approves as reasonable and necessary for administrative convenience.

Sec 1123. **Contents of Plan**

(a) Notwithstanding any otherwise applicable nonbankruptcy law, a plan shall—

(1) designate, subject to [section 1122 of this title](#), classes of [claims](#), other than [claims](#) of a kind specified in section 507(a)(2), 507(a)(3), or 507(a)(8) of this title, and classes of interests;

(2) specify any class of [claims](#) or interests that is not impaired under the plan;

(3) specify the treatment of any class of [claims](#) or interests that is impaired under the plan;

(4) provide the same treatment for each [claim](#) or interest of a particular class, unless the holder of a particular [claim](#) or interest agrees to a less favorable treatment of such particular [claim](#) or interest;

(5) provide adequate means for the plan's implementation, such as—

(A) retention by the [debtor](#) of all or any part of the property of the estate;

(B) [transfer](#) of all or any part of the property of the estate to one or more entities, whether organized before or after the confirmation of such plan;

(C) merger or consolidation of the [debtor](#) with one or more persons;

(D) sale of all or any part of the property of the estate, either subject to or free of any [lien](#), or the distribution of all or any part of the property of the estate among those having an interest in such property of the estate;

(E) satisfaction or modification of any [lien](#);

(F) cancellation or modification of any [indenture](#) or similar instrument;

(G) curing or waiving of any default;

(H) extension of a maturity date or a change in an interest rate or other term of outstanding securities;

(I) amendment of the [debtor](#)'s charter; or

(J) issuance of securities of the [debtor](#), or of any [entity](#) referred to in subparagraph (B) or (C) of this paragraph, for cash, for property, for existing securities, or in exchange for [claims](#) or interests, or for any other appropriate purpose;

(6) provide for the inclusion in the charter of the [debtor](#), if the [debtor](#) is a [corporation](#), or of any [corporation](#) referred to in paragraph (5)(B) or (5)(C) of this subsection, of a provision prohibiting the issuance of nonvoting equity securities, and providing, as to the several classes of securities possessing voting power, an appropriate distribution of such power among such classes, [including](#), in the case of any class of equity securities having a preference over another class of equity securities with respect to dividends, adequate provisions for the election of directors representing such preferred class in the event of default in the payment of such dividends;

(7) contain only provisions that are consistent with the interests of [creditors](#) and [equity security holders](#) and with public policy with respect to the manner of selection of any officer, director, or [trustee](#) under the plan and any successor to such officer, director, or [trustee](#); and

(8) in a case in which the [debtor](#) is an individual, provide for the payment to [creditors](#) under the plan of all or such portion of earnings from personal services performed by the [debtor](#) after the commencement of the case or other future income of the [debtor](#) as is necessary for the execution of the plan.

(b) Subject to subsection (a) of this section, a plan may—

(1) impair or leave unimpaired any class of [claims](#), secured or unsecured, or of interests;

(2) subject to [section 365 of this title](#), provide for the assumption, rejection, or assignment of any executory contract or unexpired lease of the [debtor](#) not previously rejected under such section;

(3) provide for—

(A) the settlement or adjustment of any [claim](#) or interest belonging to the [debtor](#) or to the estate; or

(B) the retention and enforcement by the [debtor](#), by the [trustee](#), or by a representative of the estate appointed for such purpose, of any such [claim](#) or interest;

(4) provide for the sale of all or substantially all of the property of the estate, and the distribution of the proceeds of such sale among holders of [claims](#) or interests;

(5) modify the rights of holders of secured [claims](#), other than a [claim](#) secured only by a [security interest](#) in real property that is the [debtor's principal residence](#), or of holders of unsecured [claims](#), or leave unaffected the rights of holders of any class of [claims](#); and

(6) include any other appropriate provision not inconsistent with the applicable provisions of this title.

(c) In a case concerning an individual, a plan proposed by an [entity](#) other than the [debtor](#) may not provide for the use, sale, or lease of property exempted under [section 522 of this title](#), unless the [debtor](#) consents to such use, sale, or lease.

(d) Notwithstanding subsection (a) of this section and sections [506\(b\)](#), [1129\(a\)\(7\)](#), and [1129\(b\)](#) of this title, if it is proposed in a plan to cure a default the amount necessary to cure the default shall be determined in accordance with the underlying agreement and applicable nonbankruptcy law.