

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(Eastern Division)

In re)	
)	
)	
BENJAMIN L. HALL, JR.,)	Chapter 11
)	Case No. 15-10973-JNF
)	
)	
Debtor)	

THIRD AMENDED DISCLOSURE STATEMENT

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS THIRDTHIRD AMENDED DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.

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I. INTRODUCTION AND SUMMARY

A. Introduction

Benjamin L. Hall, Jr. ("Hall" or the "Debtor"), hereby submits this Third amended disclosure statement (the "Third Amended Disclosure Statement") pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. Sections 101, et seq. (the "Bankruptcy Code"), in connection with the solicitation of acceptances or rejections of the Debtor's Third Amended Plan of Reorganization under Chapter 11 dated as of September 5, 2016 (the "Third Amended Plan"). A true and complete copy of the Plan as Filed with the Bankruptcy Court has already been provided to all creditors. Capitalized terms used and not otherwise defined in this Third Amended Disclosure Statement have the meanings ascribed to them in the Plan.

By order dated _____, 2016, the Bankruptcy Court approved this Third Amended Disclosure Statement, pursuant to Section 1125(b) of the Bankruptcy Code, as containing "adequate information" to enable a hypothetical, reasonable Creditor to make an informed judgment as to whether to accept or reject the Plan. However, the Bankruptcy Court's approval of this Third Amended Disclosure Statement does not constitute a recommendation by the Court as to the merits of the Plan. This Third Amended Disclosure Statement is the only document authorized by the Bankruptcy Court to be used in connection with the solicitation of votes accepting or rejecting the Plan.

A Class of Claims is generally deemed to be "impaired" under Section 1124 of the Bankruptcy Code if the Plan alters the legal, equitable or contractual rights to which such Claim or Interest entitles the Holder thereof. Class 1 is not impaired and shall not be entitled to vote. Class 2 is not impaired and shall not be entitled to vote on the Plan. Class 3 is impaired and shall

be entitled to vote. Class 4 is impaired, but shall not be entitled to vote, Class 5 is impaired, but shall not be entitled to vote. For a description of the Classes of Claims and Interests and their treatment under the Plan, see the Third Amended Disclosure Statement Exhibit 1: Summary of the Plan (classification and Treatment of Claims and Interests and Plan Description).

As a general rule, Confirmation of the Plan requires the acceptance by each Impaired Class of Creditors. Pursuant to the Bankruptcy Code, in order for the Plan to be accepted by a creditor class, Creditors holding at least two-thirds in dollar amount and more than one-half in number of Claims allowed for voting purposes in such Class, and who actually vote to accept or reject the Plan, must vote in favor of the Plan. Any Class that fails to accept the Plan will be deemed to have rejected the Plan. In this case, there is one impaired class that will be entitled to vote.

THIS THIRD AMENDED DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN BY EACH HOLDER OF A CLAIM ENTITLED TO VOTE THEREON, BUT IS INTENDED TO AID AND SUPPLEMENT SUCH REVIEW. THE DESCRIPTION OF THE PLAN HEREIN IS A SUMMARY ONLY AND HOLDERS OF CLAIMS AND OTHER PARTIES IN INTEREST ARE CAUTIONED TO REVIEW THE PLAN ITSELF FOR A FULL UNDERSTANDING OF ITS PROVISIONS. THIS THIRD AMENDED DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN. THE TERMS OF THE PLAN ARE CONTROLLING IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THIS THIRD AMENDED DISCLOSURE STATEMENT.

This Third Amended Disclosure Statement and the Plan remain subject to modification and amendment. All financial information provided herein constitutes the best information

available as of the date of the filing of this Third Amended Disclosure Statement, based exclusively upon the Debtor's books and records, and remains subject to revision.

The Bankruptcy Court will hold a hearing on Confirmation of the Plan commencing at _____, (the "Confirmation Hearing"), in Courtroom 1, United States Bankruptcy Court, J. W. McCormack Post Office & Court House, 5 Post Office Square, Boston, MA 02109-3945 Boston, Massachusetts. The Confirmation Hearing may be adjourned from time to time without further notice other than by an announcement of the adjournment in open court.

THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF ALL CREDITORS AND INTEREST HOLDERS AND STRONGLY RECOMMEND THAT ALL HOLDERS OF CLAIMS IN CLASS 3 VOTE TO ACCEPT THE PLAN.

B. Attachments to the Third Amended Disclosure Statement

In order to aid the reader from the outset the Debtor has attached a list of items to be reviewed in conjunction with the Third Amended Disclosure Statement: (1) Exhibit 1 contains the Plan Summary (snapshot only); (2) Exhibit 2 contains the Projections for the five (5) year plan period; (3) Exhibit 3 contains the Variations on Proposed Real Estate Sales; (4) Exhibit 4 contains a Collateral (real property) Analysis; (5) Exhibit 5 contains the Liquidation Analysis; and (6) Exhibit 6 contains a Claim Summary; (7) Exhibit 7 contains the Historical Information used by Jeff S. Troderman in the plan projections; and (8) t (8) Exhibit 8 is a proposed form of Ballot.¹;

¹ The prior iterations of the Disclosure Statement (original, First Amended and Second Amended) contained as Exhibits 9 through 11 appraisals of 110N. 5th Street and 105 N. 4th Street and a broker's progress report. These have been excluded from the Third Amended Disclosure Statement as the two properties have been sold with all net proceeds going to MVSB.

In addition to the Third Amended Disclosure Statement and its exhibits, the reader is encouraged to kindly review the complete First Amended Plan of Reorganization, which is summarized in Section C below.

C. Summary of the Plan

1. Classification and Treatment of All Claims and Interests

The classification of creditors and treatment of claims under the Plan to each Class of Allowed Claims and Interests are described in the summary that follows. For a more detailed description of the Classes of Claims and Interests and their proposed treatment under the Plan see the Plan Description. Classification and Treatment of Claims and Interests (below) and Article III of the Plan ("Classification of Claims"). For each Class of Claims, the distribution amounts set forth in Exhibits 1, 2 and 6 are current estimates based on (1) the funds that will be deposited into the DIP Account on or before the Effective Date, including (a) the Hall Family Contribution of \$200,000; (b) the Superior Court escrow fund of \$122,499.53; (c) future disposable income over the period of the plan in order to complete the required payments to the classes receiving distributions; and (d) the net proceeds from the anticipated sale of the Edgartown Properties. The Plan does not take into account any future recoveries by the Debtor through litigation or otherwise. To the extent that the Debtor does recover additional funds, the distribution to Creditors with Allowed Claims as defined herein and elsewhere will increase or have the claim paid on a more accelerated basis, unless any such additional proceeds are deemed exempt or not assets of the estate. Many of the estimates are subject to variables beyond the Debtor's control or ability to forecast with accuracy and the estimates are therefore subject to a high degree of uncertainty.

(a) Treatment of Administrative Claims: It is estimated that the total amount of Allowed Administrative Claims in the Chapter 11 Case which will qualify as Allowed Administrative Claims will be approximately \$300,000. This sum consists of the fees of the of Alexander L. Cataldo, P.C. (Debtor's counsel), Jeffery S. Troderman, CPA (Debtor's financial advisor) and Abrams Little-Gill and Loberfeld, P.C. (tax accountants to the Debtor). This figure is subject to increase based on the amount of additional work that will be required to reach confirmation. The other professionals employed in this case are (1) Jane Brown Associates' whose compensation of \$20,400 was paid in the form of a commission earned from the sale of 110 N. 5th Street; and (2) Highpoint Appraisers who has been paid the sum of \$3,000 (after a \$1,000 discount) as a flat fee in accordance with the application to employ. In addition, the capital gains tax estimates for the sale of the Edgartown Properties is \$49,076. The Allowed Administrative Claims shall be paid from Cash on deposit with the Disbursing Agent.

On or before the Initial Distribution Date, all fees pursuant to 28 U.S.C. Section 1930, as determined by the Bankruptcy Court, shall be paid in full in Cash. There have been no interim fee awards sought or Court-approved interim payments to date for fees and expenses of the Professional Persons retained in the Chapter 11 Cases. On the Initial Distribution Date, or as soon as practicable thereafter, allowed professional fees and expenses will be paid in full in Cash.

(b) Treatment of Priority Tax Claims: The total amount of Allowed Priority Tax Claim will be \$25,656.² This claims consist of the state income tax claims from 2011 through

². The Debtor has filled all state and federal tax returns through fiscal year 2014. Fiscal 2015 will be filed prior to confirmation.

2014³. Pursuant to 11 U.S.C. Section 1123(a)(1) these claims do not appear in a class. Under the Plan under this creditor shall be paid in regular installments over the first 36 months of the plan. This creditor shall be entitled to the statutory rate of interest over the plan payout period. In the event that a Priority Tax Claim becomes an Allowed Priority Tax Claim subsequent to the Initial Distribution Date, such Allowed Priority Tax Claim shall be paid in accordance with Section 5.1(b) of the Plan.⁴ Allowed Priority Tax Claims shall receive payment installments of \$8,552 for years one through three of the plan period (*See* Exhibit 1 to Third Amended Disclosure Statement). All Allowed Administrative Tax Claims shall be paid on the Effective Date and Allowed Priority Tax Claims shall be paid on or before five (5) years from the Petition Date with 4% interest per annum.

(c) Treatment of Class 1: Claims of MVSB (not impaired)

According to materials filed by MVSB as of May 11, 2016 MVSB holds a secured claim in the amount of approximately \$1,241,851.90.

MVSB is the holder of two promissory notes secured by blanket mortgages on three parcels of real property with improvements thereon 110 North 4th Street, Edgartown, Massachusetts 110 North 5th Street, Edgartown, Massachusetts (collectively the “Edgartown Properties”) and 198 Oak Lane, West Tisbury, MA (the ‘Residence”).

³ The Debtor will file his 2015 federal and state returns on or before the Confirmation Date. If taxes are due, they will be deemed administrative expenses and will be paid on the Effective Date. In light of the relatively small amounts resulting from the 2011-2014 returns the Debtor anticipates there may only be state tax due in the range of \$5,000-\$10,000

⁴It is expected that the private or public sales of the Edgartown Properties will trigger a long-term capital gains tax for the Debtor, unless there remain available NOL carryovers not used in the recently completed tax returns. This is addressed in Exhibit 3 to the Second Amended Disclosure Statement. Once the tax becomes due the Debtor may have to file a postconfirmation amended plan or seek out non-estate sources to assist with payment.

On August 5, 2016 a closing was held concerning the authorized sale of 110 N. 5th Street. The net sale proceeds of \$489,097.81 were sent via wire transfer to counsel for MVSBS for application in accordance with the Plan and related Court orders. On August 10, 2016, a closing was held concerning the authorized sale of 105 N. 4th Street. The net sale proceeds of \$308,556.55 were sent via wire transfer to counsel for MVSBS for application in accordance with the Plan and related Court orders (collectively, the “Net Sales Proceeds”).

Class 1 shall be treated in the following manner:

- (a) Continuation of regular monthly mortgage payments of \$4,297.43 (commenced as of December 2015) for the duration of the terms of the Promissory Notes (February 2035);
- (b) The applicable elements of the Loan Facilities shall be de-accelerated and reinstated⁵ by virtue of the payment of the proceeds from net the sale of 110 N. 5th Street and 4th Street, Edgartown, Massachusetts. According to materials submitted by counsel for MVSBS the amount necessary to reinstate the Loan Facilities as of May 1, 2016 was \$588,789.93.⁶
- (c) The sale proceeds in excess of the amount necessary to reinstate the Loan Facilities has been or is the process of being applied to principal.
- (d) The balance due under the Promissory Notes shall remain secured by the Residence.

⁵ See, e.g., *Matter of Madison Hotel Associates*, 749 F.2d 410, 419, 12 Bankr. Ct. Dec. (CRR)616, 11 Collier Bankr. Cas. 2d (MB) 771 (7th Cir. 1984) (“Section 1124(2) permits the plan to reverse a contractual or legal acceleration.”) (quotation omitted); *In re Taddeo*, 685 F.2d 24, 28-29, 9 Bankr. Ct. Dec. (CRR) 556, 6 Collier Bankr. Cas. 2d (MB) 1201, Bankr. L. Rep. (CCH) P 68898, 67A.L.R. Fed. 207 (2d Cir. 1982) (“Having defined impairment in the broadest possible terms, Congress carved out a small exception to impairment in § 1124(2) providing that curing a default, even though it inevitably changes a contractual acceleration clause, does not thereby ‘impair’ a creditor’s claim.”); *In re PCH Associates*, 122 B.R. 181, 198 (Bankr. S.D. N.Y. 1990) (“most courts seem to be in accord that section 1124(2) permits the debtor to deaccelerate any debt that has been accelerated because of a default, and to reinstate the terms of the agreement”).” Quoted in Norton Journal of Bankruptcy Law and Practice, Vol. 16, No. 4 (August 2007).

⁶ According to MVSBS this figure does not include certain additional costs and fees. All such costs and fees will be subject to verification and approval by this Court. Until these figures are provided by MVSBS the precise reinstatement amount cannot be stated herein.

(e) Upon the curing of the prepetition and postpetition arrears the Debtor shall maintain current payments in the amount of \$4,297.43.

(f) Postconfirmation MVSBS shall (1) send to the Debtor monthly mortgage statements; (2) provide annual tax documents; and (3) report all payments made to credit reporting agencies.

(d) Treatment of Class 2: Santander and SVO Vistana (not impaired)

Class 2(a) (Allowed Secured \$38,343 (Scheduled at \$45,924). Santander Bank holds a first mortgage secured by 30 Main Street Nos. 1-8, Tisbury, Massachusetts. There are no prepetition or postpetition arrears. This creditor shall be paid regularly according to the terms of the loan instruments. This Creditor is not paid by the Debtor. This Creditor has always been paid by Hall Associates Series LLC - Mainspring Units 2, 3/4, 5/7, 6 and 8 Series in proportionate shares. This Creditor is not impaired and non-voting

Class 2(b) (Allowed Secured Claim: Vistana) \$14,106. Time share debt. The Debtor shall resume making regular payments to this creditor and cure prepetition arrearages of \$7,564 within ten (10) days after the Effective Date. These Creditors not impaired and non-voting.

(e) Treatment of Class 3: General Unsecured Claims (impaired and voting)

The claims in this class consists of non-insider claims that were scheduled and not listed as contingent disputed or unliquidated and those claims represented by timely filed proofs of claim (whether or not schedule as disputed, contingent and/or unliquidated). Claim No. 13 (Martha's Vineyard Camp Meeting Association) has been fully satisfied through the payment of non-estate funds and has been removed from the total of Allowed Claims for this class. All claims treated in this class shall be entitled to present value compensation of 1% per annum which amounts are reflected in the exhibits that pertain to treatment of this class. This class is impaired and voting.

In light of the payment of Claim No. 13 and one other obligation that has been deemed not to be an obligation of the Debtor (Rubin & Rudman) the total of the unsecured Claims that shall be treated in the Plan has been reduced since the original disclosure statement to \$141,586. Payments amounting to 100% of the total of non-priority unsecured claims (with interest factored in) is \$143,357. Payments to Creditors in this Class shall be made as follows (i) Year 1: \$39,071, with \$14,335 being paid within ten (10) days of the Confirmation date; and (ii) the balance be paid over the remaining 60 months of the Plan as follows: Year 2: \$44,284; Year 3: \$20,731; Year 4: \$20,472; Year 5: \$20,213. The payments shall be made in accordance with Exhibits 1 and 2 to the Third Amended Disclosure Statement.

(f) Treatment of Class 4 Hall Family Interests (impaired and non-voting)

Based on Proofs of Claim Nos. 9, 10, 11 and 18 the Hall family and related entities hold Claims totaling \$734,000. This class is impaired, but in light of the insider status of the holders it is deemed a non-voting class. None of these Entities shall be entitled to any form of distribution under the Plan.

(g) Treatment of Class 5 Debtor's Net Retained Assets

The Debtor holds approximately \$18,340,338 in assets that will not be necessary to use or liquidate to fund the Plan (*see* Exhibit 5). These assets shall re-vest in the Confirmed Debtor on the Effective Date. Except as may be expressly provided in the Plan or in a Non-Appealable Order of the Bankruptcy Court, no Assets shall be deemed abandoned and no defense, set-off, counterclaim or right of recoupment of the Debtor shall be deemed waived, released or compromised. Because the unsecured creditors are receiving the full amount of their claims, plus

interest the absolute priority rule under 11 U.S.C. 1129(b)(2)(B)(ii) is not implicated.⁷ *See Zachary v. California Bank & Trust*, C. No. 2:11-bk-42866 (9th Cir. BAP 2016).

2. Retention of The Debtor's Causes of Action

Pursuant to Section 6.5 of the Plan, following Confirmation, the Debtor shall retain and may enforce any and all claims of the Debtor and the Estate, including, without limitation, all claims arising or assertable at any time under the Bankruptcy Code, including, without limitation, pursuant to Sections 510, 544, 547, 548, 550 and 553 of the Bankruptcy Code and state law. Thus, any claims of the Debtor may be pursued even after Confirmation of the Plan. To the extent any such claims have not already been asserted, the Debtor and their counsel are currently investigating such claims. All property received as a result of the enforcement of any such claims shall be turned over to the Disbursing Agent pursuant to Section 6.2(b) of the Plan. No final decision has been made as to which of these litigations will be pursued postconfirmation.

3. Certain Payments Under the Plan and Disputed Claims

On the Initial Distribution Date, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction of such Administrative Claim or, Cash equal to the Allowed Amount of such Administrative Claim. On or before the Initial Distribution Date, all fees pursuant to 28 U.S.C. Section 1930, as determined by the Bankruptcy Court at the hearing on Confirmation, shall be paid. No Distribution shall be made to Holders of Disputed Claims on the Initial Distribution Date. Administrative or Priority Funds in the amounts determined in

⁷ *See Zachary v. California Bank & Trust*, C. No. 2:11-bk-42866 (9th Cir. BAP 2016). The Court in this case determined that the absolute priority Rule applies to individuals in chapter 11. In that matter the debtor did not provide for full payment of the general unsecured class ahead of the Debtor's retained interests. In this case the Debtor provides for full payment for all senior classes, except that he seeks to reinstate the MVSBS Loan Facilities.

accordance with the Plan shall be established prior to the Initial Distribution Date on account of such Disputed Claims. On the tenth (10th) Business Day after a Disputed Administrative or Priority Tax Claim becomes an Allowed Claim, full payment thereon shall be made from the Disbursement Account. On the tenth (10th) Business Day after a Disputed Class 1, 2 or 3 Claim becomes an Allowed Claim, the Disbursing Agent shall include it in the Class of Allowed Claims and disburse according to the Plan. On each subsequent Distribution Date, the Holder of such Allowed Claims shall receive its share of the Cash being distributed to all Holders of Allowed Claims.

4. Unclaimed Distributions:

It is the responsibility of each Holder of a Claim to notify the Disbursing Agent promptly of any change in such Holder's address. Failure to do so may result in a Distribution becoming an Unclaimed Distribution. In such event, the Holder will forfeit its rights with respect thereto as of the fifth (5th) Business Day prior to the Final Distribution Date.

D. Confirmation of the Plan

The Debtor believes that the Plan complies with the Bankruptcy Code's confirmation requirements. Section V.A of this Third Amended Disclosure Statement ("Confirmation of the Plan -- Classification of Claims and Interests"), describes how the Plan properly classifies and treats Claims and Interests, and why the Plan is feasible, fair and equitable and preferable to liquidation of the Debtor's estate under chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan, as amended, is confirmable as it stands.

Section 1129(a)(15) of the Code states that: "(A) [t]he court shall confirm a plan only if all of the following requirements are met:..[i]n a case in which the Debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the plan (A) the

value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or (B) the value of the property to be distributed under the plan is not less than the projected disposable income of the Debtor (as defined in section 1325(b)(2)) received during the 5-year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.” Inasmuch as the plan provides for full payment of all claims (except the principal balance due to MVSBS after reinstatement and principal reduction(s) the Debtor should be allowed to complete the Plan sooner than 60 months if additional funds from the sale of non-estate assets become available or if distributions from Seagate were to increase over the Plan Period. In conjunction with other family members, the Debtor is actively trying to sell other properties in which he has an interest in order to achieve this end.

E. Alternatives to the Plan

There are three possible alternatives to the Confirmation of the Plan: (i) the confirmation of a different plan under chapter 11 of the Bankruptcy Code, (ii) liquidation under chapter 7 of the Bankruptcy Code, and (iii) dismissal of the Chapter 11 Case. The Debtor does not believe that any of these alternatives is in the best interest of Creditors. *See also infra* Section V.E of this Third Amended Disclosure Statement ("Confirmation of the Plan-Alternatives to the Plan").

F. Conclusion

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE GREATEST AND EARLIEST POSSIBLE RECOVERY TO HOLDERS OF ALL CLASSES ENTITLED TO PAYMENT UNDER THE PLAN.

II. VOTING INSTRUCTIONS

A. Voting Eligibility: Class 3 is impaired shall be entitled to vote on the First Amended Plan. Class 3 is the only voting Class. There is one impaired class entitled to vote for or against this Plan. All classes and parties in interests will, however, be able to object to the confirmation of the Plan. Voting on the plan shall be governed by 11 USC section 1129 (a)(8)(B) which sets forth in relevant part that “(a) the court shall confirm a plan only if all of the following requirements are met: ... (8) With respect to each class of claims or interests—(A) such class has accepted the plan; or (B) such class is not impaired under the plan.” If no objections are filed or if filed, not sustained, and all other requites elements are in place the Court will have jurisdiction to confirm the Plan.

B. Ballot: A proposed form of ballot appears as Exhibit 12 to the exhibits to the Third Amended Disclosure Statement.

III. THE DEBTOR AND THE BACKGROUND OF THE CASE

A. Events Leading to The Chapter 11 Case

1. General Introduction.

Hall's income is derived primarily from monthly distributions he receives from Seagate, Inc. ("Seagate"). The financial advisor authorized by this court, Jeffrey S. Troderman, has completed projections based upon an historical analysis of these distributions which appears as Exhibit 7. The history and operations of Seagate are described in the section that follows.

2. The Debtor's Business Affairs and the Genesis of Seagate, Inc.

Seagate is a Florida Corporation registered as a Subchapter S corporation. As of the date of filing the petition, the Debtor held a total of 48% of the shares of stock in Seagate, Inc., made up of 32% of the common stock and additional restricted shares from an employee stock ownership plan totaling another 16%. The remaining shares are held by other Hall family

members. Seagate controls various organizational entities that themselves beneficially own commercial and mixed use properties in the traditional tourist oriented downtowns of the largest three of the Vineyard towns, Edgartown, Oak Bluffs and Tisbury, with the bulk in Edgartown, which has the highest rent structures. The bulk of these are located on main streets with the highest foot traffic. It also holds a handful of side street properties, which have a much lower rent structure due to much lower foot traffic.

(a) Debtor's Revenue Stream Summary

The distributions from Seagate make up by far the largest portion of the revenues realized by the Debtor. Therefore, the financial history of Seagate, Inc. is essential to an understanding of the factors that led up to the Debtor's need to enter Chapter 11 to restructure his debts. Other real estate investments made by the Debtor in mixed-use properties in Tisbury contribute a much smaller source of revenue through the various entities that beneficially own these properties. These properties are not as well located as those controlled by Seagate, and thus the rent revenues are inconsistent and a higher vacancy rate has come to be expected, especially during market downturns. Additionally, the Debtor receives sporadic income from his law practice and from real estate and insurance brokerage operations, as revenues are generated and received through these operations. All of these revenue streams have been disclosed in the schedules and reported in the Monthly Operating Reports.

(b) Early History 1970's -1980's Predecessors to Seagate:

During the late 1960's and through the mid 1970's, new commercial districts had been formed in both Edgartown and Tisbury, along State Road corridors, with lots of room for vehicular parking and wider streets than those in the traditional downtowns. New grocery stores were built there and post offices moved from the Main Street regions, causing a paradigm shift in

the business mix in the downtown districts. The new businesses with parking quickly ate away at the downtown historic base of year round businesses, forcing most to either close or re-locate, save for a few stalwarts and local banks and governmental offices and other facilities.

The Debtor's grandfather, Alfred Hall and then his successor in the mid-1980's, Seagate, Inc., were experiencing these changes as their tenant base of year round tenant businesses started to be replaced with strictly seasonal tourist oriented shops. This led to some leasing errors that eventually left Seagate exposed to higher rent risk than that previously experienced by the elder Mr. Hall.

Seagate was established as a Florida corporation in 1985-1986 during an estate planning process of the Debtors paternal grandparents and Florida residents, Alfred and Marjorie Hall (the "Grandparents"). Prior to this period of time, the Grandparents controlled a number of real estate holdings on the island of Martha's Vineyard, primarily commercial real estate including the operation of four movie theaters, three of which they owned. Once Seagate was formed, the Grandparents deeded almost all of the commercial real estate they held (all on Martha's Vineyard) to Seagate, Inc., deeding two other parcels to family members, including the Debtor in various ways, all in an estate planning effort. Other parcels of land around the island were gifted to children and grandchildren, including a 25% beneficial interest to the Debtor in Gossamer Wing Realty Trust that was deeded a number of largely inaccessible properties in what was then known as Gay Head, now Aquinnah.

The Debtor during his pre-adult years, worked in the then family-run movie theater business learning every aspect of the operation of a chain of single screen movie theaters in a resort area, starting at age 8 as an usher in the early show, but having helped with sweeping the

theater every day during the summer mornings for 50¢ much earlier. Eventually, he worked his way up to assistant manager at age 17, working hand-in-hand with his father and grandfather.

Later, upon reaching adulthood, the Debtor assisted his grandfather and father in the management of the tenants, including lease management and collections. Certain tenants were given very long-term leases in return for promises of major re-constructive work. In 1977, the theater operation was leased to an operator for a long term in return for promises that the aging structures would be repaired and improved. The rent was largely a percentage of sales above a certain break point deal, with minimal base rents, in return for promises of complete repair of these early 20th Century structures. Three other mixed use buildings, the Yellow House and the Country Store in Edgartown, and the Luce Brothers Building (aka Murray's) in Vineyard Haven, received similar long term leases at or during this period of time with similar expectations of the tenants making significant repairs.

From and after 1977, the Debtor attended college and then went straight on to law school. The Debtor then returned to the island and opened a small law office within the family real estate office, in return for continued assistance in managing the Seagate properties. Around this time, real estate prices and rents on Martha's Vineyard were undergoing their greatest historical acceleration. The Debtor and the other family members prevailed upon Alfred to have him retain the properties, but the rent levels remained discounted substantially to the market.

In 1986-1988, the Debtor became involved in a number of real estate investments, both as a principal and as adviser. As an investor, the Debtor acquired a few single family building lots for investment and speculation on his own (including notably 92 Schoolhouse Rd. in Edgartown, and 110 N. 5th Street and N. 4th Street as well as N. 7th Street also in Edgartown), with others, including his brother, and bought interests in a couple of mixed use buildings very well located

on Main Street in Tisbury. The Debtor borrowed money from local banks, including the Martha's Vineyard National Bank, the Martha's Vineyard Co-operative bank, and the Dukes County Savings Bank for these acquisitions. Each of these investments were gauged for development potential. During this time frame, the Debtor also began to advise his parents, who had acquired several larger parcels of vacant undeveloped land, and a number of residential rentals over the prior decades, as to improving or developing these properties. Large scale development had reached its height on the Island just as the Debtor became engaged in these efforts. The Hall family witnessed the emergence of powerful land use agencies who began to more aggressively assert their power to slow the rate and pace of development of residential subdivisions and the growth in now static and fixed commercial districts. Notably as well, cable television was introduced to Martha's Vineyard during the late 1980's. This would eventually contribute to the declines in movie theater attendance being experienced throughout the rest of the country.

The permitting on real estate development projects in which the Debtor had become engaged became bogged down in administrative agencies and ended up in some cases in court, slowing the recognition of the value inherent in these lands and mixed use buildings. Then, in the latter part of the 1980's, the stock market crash led to a huge credit crunch and the failure of many savings and loans causing a real estate market decline. This was felt particularly hard in the disposable income dependent tourist economy of Martha's Vineyard. While residential sales fell tremendously, the well-located commercial properties rents were stabilized, while those needing improvements found few takers. The investments made by the Debtor fell in value and the rent levels became depressed, making the re-development of these projects at that time as unlikely to then succeed. Development plans were shelved until market conditions returned.

In 1988, Marjorie Hall passed away, and Alfred Hall in 1989, in another round of estate planning, created the employee share ownership program in Seagate. Four family members active in the Seagate operations received shares. The Debtor received what became 16% of the shares of restricted stock allocated to the program, recognizing these shares as income, and paying taxes thereupon. The remaining shares of Seagate were then transferred to certain family trusts, wherein the Debtor received the beneficial control of 32% more of the shares of Seagate.

(c) N. 4th Street (Parcel 69) and 110 N. 5th Street Projects and other Projects

In 1989, having not yet seen what soon would be the deep impact of the national recession, the Debtor secured plans designed by an architect for reconstruction of 110 N. 5th St. (which had been mortgaged to Dukes County Saving Bank – predecessor of Martha’s Vineyard Savings Bank) and for a new house on N. 7th Street in Edgartown (which had been mortgaged to Martha’s Vineyard Co-operative Bank – also a predecessor of Martha’s Vineyard Savings Bank) acquired two years earlier. The Debtor self-funded the reconstruction efforts at N. 5th, while funds were drawn from the construction mortgage to install a well, septic system and foundation at N. 7th. Within a year, the work was ceased by the Debtor as the general malaise in the economy began to take hold on the Vineyard. The prospects for selling the completed N. 7th property had fallen precipitously, and the MV Co-op Bank agreed to modify the mortgage to pay off the small amount of money drawn over the expected life of the loan. At 110 N. 5th, the Debtor foresaw a shortfall in his ability to finish the project with self-funding, and halted the project after the shell had been made weather tight, with the roof completed, all doors and windows and all major structural elements completed with all siding installed. When the Debtor returned full time to the island, and then sold his residence the building was used to store the

Debtor's belongings, with some additional work resuming in 1996-1997 in accord with an agreement with the Dukes County Savings, as noted below.

(d) Recovery of the Real Estate Market During the 1990's

Management of Seagate continued as before as a joint effort of the Debtor, his brother, Brian Hall his father, Benjamin, Sr. and to a lesser extent, his aunt, with the elder Mr. Hall no longer involved. New challenges arose as it became apparent that most of the long-term lessees had not been making the repairs to which they had committed in their extremely beneficial (and significantly below-market price) leases given originally by Alfred Hall. The theaters had been extremely neglected and needed wall, floor and roof reconstruction as well as major interior renovations. With the theater tenant nearing the end of their lease, there was little incentive to it to invest. Another tenant agreed to have an independent arbitrator review the situation but then reneged on that agreement. Negotiations on all of these fronts reached an impasse and a number of lawsuits were pressed forward. These were largely unsuccessful; one is still on-going to this day. Seagate thus began to have to face decades of maintenance that had been significantly deferred as tenants charged with the work as part of their lease agreements had done enough to hide the general structural degradation that had been occurring.

In or about 1992-93, the daily non-stop direct air service from the Vineyard to NYC ceased, and the cost of travelling through Boston became prohibitive. It was at this time that it became apparent that The Debtor would have to either choose to be full time in NYC or on the Vineyard. If he chose NYC, it would require either new management to be hired to run the Vineyard operations, or to liquidate the Vineyard operations. With the well-located properties of Seagate, the rent pressures of the prior several years of declines and stagnation had been easily weathered.

During the time period spanning 1991-1993, the weaker segments of the commercial rental market struggled and the stronger segments of those owned by Seagate started to regain a some traction in terms of rent increases, keeping in mind as the older leases signed by Alfred Hall expired from their very low rent structure, the tenants would be asked to then lease on a triple net basis now taking on the taxes and insurance costs associated with their spaces in addition to maintenance and repairs, together with modest base rent increases to bring them to be still a bit below market to give them incentive to make repairs. However, as certain tenants moved out, without having undertaken needed repairs, improvements had to be funded, either by Seagate, or by new tenants coming in at reduced rents to afford them to undertake the required work. Gossamer Wing sold a couple of Gay Head parcels and loaned the money to Seagate to perform essential improvements to one of several anchor tenants' foundations and structures, the former Hall's Department Store and the Bliss Building, then housing the Edgartown Hardware Store. A parcel was ground-leased for a long term as the annex to Hall's Department Store had finally deteriorated beyond repair, with the tenant investing in a new building in return for extremely low rent (much less than before). While the basement was dug for the new building, a small excavator was lowered into that hole, and it then excavated out basements under Hall's Department Store and the Bliss Building where none had existed before, and new structural undercarriages were constructed under these buildings at these areas for long term stabilization.

During 1992, a co-investor in one of the mixed used buildings in Tisbury with the Debtor, reneged on an agreement to invest in building an addition of an ice cream store onto the open area adjacent to the building, and then refused to fund the operating and mortgage payment deficits of the property. The Debtor funded the deficit to maintain his position in the building, and later during 1995-1996 negotiated with the Third mortgage holder to sell that debt to a

friendly entity to prevent foreclosure and to allow for extended refinancing to ease the burden. Eventually, the property turned cash flow positive, but the Debtor (in 2005) had to take on more debt to allow the friendly entity to force out the other investor.

In 1993, The Debtor acquired for \$30,000.00 the annual all-alcohol off-premises license (a “package store license”) from the bankruptcy trustee for Edgartown Market which had entered bankruptcy due to the decline in the overall liquor market in the downtown Edgartown area after acquiring the license for \$750,000.00 in 1988. Major liquor retailers had become established out in the uptown “State Road” business district, and with the Post Office also having then moved out there joining the A&P, the main grocer in town, the off season liquor business had deteriorated in the downtown business district. The Debtor, after much market analysis, and study believed he could re-organize the manner of doing business, reduce costs, and expand delivery and thus make enough during the summer season to off-set the dearth of off season business in downtown and generate a small profit. In November, 1993, Great Harbour Gourmet & Spirits, Inc. opened. It took two years before sales re-established themselves at the level of the former Edgartown Market in a smaller location a block away. Cost targets were met, but revenues struggled. The Debtor was able to carry the not too significant deficits as a variety of plans for revenue growth were instituted.

Also at the start of 1993, the Debtor embarked on building out food service businesses in two locations, one a Seagate property in downtown Edgartown on a side street, and the other in one of the mixed use properties on Main Street in Tisbury in which he had invested some years before. Fortunately, the following year, both locations were leased for the much higher food service rate, allowing the Debtor to begin to achieve a return on the large investment. Still, it

took many years before The Debtor recovered anywhere close to the amount of investment into the buildings and equipment.

During the 1993, Seagate managed to find new operators to take over the theaters, which, by then made up fully one-third of the revenues of the company, but these had started to decline year to year as the impact of Blockbuster Video and other similar movie rental operations began to have an impact on the motion picture exhibition business worldwide. These new operators did start to undertake a plan for structural repair and renovation of the buildings and experienced revenues in line with the decreased budgets, but within profitable limits. But, in 1995, a movie theater was permitted and built in downtown Edgartown by a competing regional chain, causing a further decline in the theater revenues that slowed the theater tenant revenues flowing to Seagate. Within just two more years, with the introduction of the internet and movies on demand on newly expanded cable systems on the island taking their toll, movie ticket sales declined further to the point where the operator was struggling and had fallen behind in the rent. The operators were evicted and Martha's Vineyard Movies ("MV Movies" or "MVM") was founded. As the economy recovered throughout the 1990's, the popularity of the Vineyard as a summer vacation spot grew tremendously. During the mid-1990' residential rents and prices again resumed a solidly upward track, leading the same for commercial rents.

Also, during the latter part of the 1990's, after re-financing, the Debtor's investments in one of the two Main Street Vineyard Haven mixed use buildings began to produce profits as all units were finally occupied with capable operators.

During the late 1990's, the Clinton presidency heyday, commercial rents were increasing in Seagate's well-located buildings, and every unit was fully rented to capable tenants, but with the theaters now back within the family fold, there was a need to divert funds to emergency

structural needs and assessments at the three theaters. At the start of 1998, the Capawock Theater in Vineyard Haven was closed for renovations. At that same time, the Island Theater in Oak Bluffs and the Strand Theater in Oak Bluffs underwent renovations.

(e) Developments with Seagate and its Holdings During 2001 - 2012

During 2001-2003, the Town of Tisbury undertook in the downtown area a massive water and sewer project that included installing vaults and conduit for future switch from overhead utilities to underground. This had significant negative impacts on the movie theaters. The Capawock re-opened in the fall of 2005, but revenues never came back even to the decreased level from the time prior to that extended period of closing. The distributions to be received by Seagate from MV Movies which had already been reduced by the lack of Capawock revenue and the funds being poured into the building, continued to decline. The Island Theater, also showed steep declines in attendance, as smart phones and other forms of watching movies on other types of devices started to enter the market.

(f) Ferry Schedule Changes Caused Massive Revenue Decline

In 2001, the Steamship Authority, responding to cries in the community about vast crowds of people and automobiles causing gridlock in Tisbury using the guaranteed standby service (if one was in line by p.m., you were guaranteed to get your car off the island that day even if the Steamship had to run ferries through the night – which they did) that had been in effect for decades, eliminated the program and went to a reservation only system, with a limited standby capability. Another ferry each day was likewise diverted from Tisbury to the Oak Bluffs terminal. It is important to note that for the prior ten years, Tisbury downtown businesses had experienced tremendous revenue growth as the families waited hours in line to get off the island on a ferry, and the family walked into town and bought lunch and other things. This, in turn, had

driven Tisbury commercial rent rates to a never before seen level of almost 65% of the rent rate on Edgartown's Main Street. Gradually, these businesses began to realize that their revenues had been tapped off and their ability to cover the downtown Tisbury rents began to degrade significantly. Main Street year round businesses that had ridden the wave, were now crashing, and with that, so did the commercial rents. After 9/11 the economy dropped very rapidly and took until 2004 to recover. Vacancies and turn-over started to plague the not only the Tisbury Main Street, but other towns. Seagate experienced a large increase in rent receivables as its main Tisbury tenants could not pay and tenant renewals in Edgartown required restrained rents.

In October, 2002, Seagate saw more vacancies. Murrays of the Vineyard vacated the Luce Brothers Building, one of the two large commercial buildings (other than the Capawock Theater) Seagate controlled in Tisbury.

Seagate was forced to internally fund many these renovations to attract new tenants lost in the market down-turn. This proved particularly difficult given the decline in revenues to Seagate. Also in or about 2003, the Bowl and Board, a long term tenant of Seagate on Main Street in Tisbury fell into significant arrears with respect to its rent obligations.

By 2003, The Debtor had hired a new manager at Great Harbour Liquors, which finally started to show traction in the sales, while costs were well under control. That year, the deficit was the lowest it had been, and it was expected that the new team could take Great Harbour finally over the hump to profitability. Unfortunately, a deficit to begin to grow again after 2004.

Construction of the Debtor's home at 198 Oak Lane began in 2004. This property serves as additional collateral for the MVSBS blanket mortgages. Construction delays and issues with the lender created many unforeseen expenses for the Debtor. Despite these, he has managed to hold on to the property and intends to keep it as his family residence.

(g) The Great Recession and the Island

In 2007-2008, the bubble started to burst in the financial markets and the Great Recession descended over the entire economy, particularly affecting the disposable income dependent tourist economy on the Vineyard. The deficits at Great Harbour started to balloon, and rent revenues from all entities declined, this was compounded by the fact that and theater attendance continued to fall precipitously and MV Movies was running at a deficit due to efforts to keep the Capawock open in the winter.

In an effort to reduce cash flow costs, the Debtor dissolved Great Harbour at the end of 2011. With the economy not having yet fully stabilized in 2012 and with the theaters running at a deficit, it left distributions from Seagate far less than expected.

On December 13, 2013, the auction at N. 4th / 5th were postponed, and 92 Schoolhouse was auctioned for \$266,000.00. The net proceeds from this auction was applied to principal by MVSB leaving the two loans in arrears.

(h) The Foreclosure Process and Genesis of the Superior Court Escrow Fund

After the Debtor was able to obtain an injunction preventing further bank sales of further sales by MVSB in April, 2014, he was required to post a \$75,000 bond. Then in May of 2014, the Debtor was further ordered to pay on a monthly basis the sum the Bank asserted was due for the mortgage monthly payment, of \$4,265 approximately The Debtor continued to pay these sums through February, 2015, despite the fact that the injunction was dissolved in November, 2014. The sum total of these payment gave rise to the Escrow Fund. The Debtor shall file a motion to seek release of these funds for application in the Plan.

As 2013 progressed into 2014, and on into 2015, the Debtor's financial position had regained some footing. Great Harbour Liquors was closed ending that cash drain. The MV

Movies operations were shuttered. Tenants have been taking vacant spaces and distributions from Seagate have started to bounce back. The Debtor during the course of the injunction barring the further foreclosure action, demonstrated the ability to make timely monthly payments on the mortgages. Until the time of filing the petition herein, all unsecured creditors whose debts were not in dispute were being paid on a current basis.

But for the foreclosure auctions, the Debtor may not have needed to file for protection under Chapter 11. In 2015, the Capawock Theater, one of the two theaters that had not been previously leased, was leased to a non-profit that has invested funds to restore the building, which then has also sublet the Strand, performing the same upgrades. One non-performing commercial space in one of the Tisbury Main Street properties in which the Debtor has some participation was let and is performing well, in another, the apartment renovations were finally completed and both were let. And a heretofore underperforming space owned by one of Seagate's controlled entities finally is fully performing, increasing Seagate revenues. With base rent increases anticipated over the coming few years, and spaces largely committed to performing tenants for a few years, with the economy holding, the Debtor foresees stronger distributions coming to him over the coming few years.

3. The Filing of the Chapter 11 and Prospects for the Future.

The Chapter 11 filing was precipitated by the renewed multiple and simultaneous foreclosure auction by MVSBS on N. 4th Street and 110 N. 5th Street on March 18, 2015.

After many months of negotiations and planning among the Debtor, Jeffery Troderman, undersigned and outside counsel for other Hall family members have prepared and reworked what has culminated in the numerical analyses appearing as Exhibits 1 through 7 to the Third Amended Disclosure Statement.

During the Preconfirmation stage the Debtor was able to successfully sell the properties at 110 N. 5th Street and 105 N. 4th Street, Edgartown, Massachusetts. From these sales MVSB received net proceeds totaling \$797,654.36. Which sum is sufficient to both bring the MVSB Obligations current and reduce the principal balance(s) on the Notes.

Hall Family Contribution

Since the filing of the original disclosure statement members of the Hall family have arrived at a mechanism by which a contribution of \$200,000 will be made available on the Effective Date. The Debtor's brother, Brian Hall, has agreed to lend the sum of \$200,000 that will be secured by two parcels of land held by Cliffhanger Realty Trust and McLambert Ridge Realty Trust (the "Trusts") (the "Hall Family Contribution"). Seagate Inc. is the sole holder of the beneficial interests of the Trusts. In addition, the Trust properties are in the process of being listed for sale with real estate brokers. Once these properties are sold Brian Hall will be repaid. In light of the fact that any encumbrance and sale of these Trust properties will affect the downstream value of the Seagate membership shares held by the Debtor, the parties shall seek Court permission before consummating any of the transactions that will necessary to effectuate this lending transaction.

The pleadings associated with the Hall Family Contribution shall be filed shortly after approval of the Third Amended Disclosure Statement.

IV. PLAN DESCRIPTION

A. Introduction

The Plan provides for the application of all net proceeds totaling \$797,654,36 derived from the sales of the sale of the Edgartown Properties to the MVSB Obligation. In addition, and

the Debtor shall devote all of the Debtor's net income from Seagate, Inc., his insurance business and law practice for a period five (5) years consistent with the requirements set for in 11 U.S.C. Section 1121(a) (15) (B) or until all allowed claims are paid in full and provided present value compensation, whichever occurs sooner. The details concerning these distributions and how they were arrived at may be found in Exhibits 1-7 attached to this Third Amended Disclosure Statement.

THE FOLLOWING IS A SUMMARY OF THE MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR, IN CONNECTION WITH, THE PLAN. THIS THIRD AMENDED DISCLOSURE STATEMENT ONLY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT A COMPLETE DESCRIPTION OR A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN. STATEMENTS REGARDING PROJECTED AMOUNTS OF CLAIMS OR DISTRIBUTIONS ARE ESTIMATES BY THE PLAN PROPONENTS BASED ON CURRENT INFORMATION AND ARE NOT A REPRESENTATION THAT THESE AMOUNTS WILL ULTIMATELY BE CORRECT. THIS THIRD AMENDED DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN ANNEXED AS EXHIBIT A TO THE THIRD AMENDED DISCLOSURE STATEMENT.

B. Classification and Treatment of Claims and Interests

Only the Holders of Allowed Claims -- that is, Holders of Claims which are not in dispute, are not contingent, are not unliquidated in amount and are not subject to objection or estimation -- are entitled to receive distributions under the Plan. Until a Claim becomes an Allowed Claim, distributions will not be made with respect to such Claim. DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS UNDER THE PLAN ARE IN FULL

SETTLEMENT OF ALL CLAIMS, INTERESTS AND RIGHTS OF THE HOLDERS OF SUCH ALLOWED CLAIMS AND SUCH HOLDERS WILL NOT BE ENTITLED TO PURSUE ANY SUCH RIGHTS AS AGAINST THE DEBTOR. THE RECEIPT OF DISTRIBUTIONS UNDER THE PLAN BY THE CREDITORS WILL RESULT IN A WAIVER OF ANY AND ALL CLAIMS WHICH SUCH CREDITORS HAVE AGAINST THE DEBTOR. ANY CREDITOR WISHING TO PURSUE A CLAIM AGAINST THE DEBTOR SHOULD DECLINE TO RECEIVE A DISTRIBUTION UNDER THE PLAN.

The Plan provides for the division of Holders of Claims and Interests into Classes. The treatment of the Claims held by creditors that have been placed in Classes appears on pages 8 through 10 of the Disclosure Statement. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified according to Class in the Plan.

C. Punitive Damages

No amounts will be Allowed under the Plan for punitive damages at this time. The Debtor, however, reserve all rights with respect to seeking the same if deemed appropriate.

D. Summary of Other Significant Plan Provisions

1. Reserves

The Plan provides for a cash reserve to account for Office of the United States Trustee Quarterly fees and the costs for the Disbursing Agent identified in the Plan as Reserve Funds. This will be established by the Disbursing Agent as of the Initial Distribution Date. In light of the potential for long-term capital gains that could result from the Properties, the Debtor may establish further reserves to pay such taxes when they become due.

2. Disputed Claims

At this time the Debtor contemplates a formal objection relating to Claim No. 2. IRS had agreed to withdraw its proof of claim as soon as the Debtor's tax returns for fiscal 2012-2104 were filed. To date, the IRS has not withdrawn Claim No. 2. Also, the Plan does not provide for the treatment for the Martha's Vineyard Camp Meeting Association claim (Claim No 13) in the amount of \$38,384 as it has been satisfied with non-estate resources, yet the creditor has not withdrawn its proof of claim. The Debtor will file an objection prior to confirmation.

The Debtor has, however, reserved all right to prosecute any other claims.

The objection process with regard to the claims of MVSBS (Claim Nos.14-15) and legal fees and expenses through November 30, 2015 has been completed.

Pursuant to this Court's order counsel for MVSBS shall be required to file fee applications for all fees and expenses incurred after November 30, 2015.

3. Unclaimed Distributions

In the event that any Distribution made pursuant to the Plan remains unclaimed for a period of ninety (90) days after the Distribution Date, no further Distributions will be made to the Holder of such Unclaimed Distribution unless and until the Disbursing Agent is notified in writing of such Holder's then-current address. In the event that any Distribution made pursuant to the Plan remains unclaimed as of the fifth (5th) Business Day prior to the Final Distribution Date, the Holder of such Unclaimed Distribution will be deemed to have forfeited its rights to such Distribution and the funds represented thereby shall be distributed along with the remaining Available Cash in accordance with the Plan. For purposes of mailing Distributions, the Disbursing Agent may rely on the addresses for Holders of Allowed Claims as set forth in the Schedules unless superseded by the address (i) set forth in a proof of Claim Filed in the cases or (ii) communicated in writing to the Disbursing Agent subsequent to the date of

filing of any proof of Claim. IT IS THE RESPONSIBILITY OF EACH CREDITOR TO NOTIFY THE DISBURSING AGENT PROMPTLY AS TO ANY CHANGE IN ADDRESS. ANY SUCH NOTICE SHOULD BE SENT TO THE DISBURSING AGENT IN ACCORDANCE WITH SECTION [5.61 OF THE PLAN. FAILURE TO DO SO MAY RESULT IN A DISTRIBUTION AND ALL FURTHER DISTRIBUTIONS TO WHICH THE CREDITOR IS OTHERWISE ENTITLED BECOMING AN UNCLAIMED DISTRIBUTION.

4. Form of Payments

Payment(s) to be made by the Disbursing Agent shall be made by check drawn on a domestic bank or, at the sole election of the Disbursing Agent with the written consent of the Holder of an Allowed Claim, by wire transfer.

5. Timing of Interim Distributions to Creditors

Distributions shall be made in accordance with the schedule set forth in Exhibit 2 to this Third Amended Disclosure Statement. The only expected exception to this distribution schedule is the timing of the disbursement to MVSBB of the net sale proceeds from the sale of the Edgartown Properties.

6. Means of Execution of the Plan

Jeffrey S. Troderman or such other person approved by the Debtor, shall be appointed as the Disbursing Agent under the Plan and shall serve as the Disbursing Agent from the Effective Date of the Plan until all of the disbursement responsibilities under the Plan are completed, which shall be 60 months from the Effective Date. On the first Business Day following the Effective Date or as soon thereafter as practicable, all Available Cash shall be transferred from the DIP account to the Disbursing Agent, acting as agent for the Debtor, to an account established for the purpose of making Distributions under the Plan for the benefit of the Holders

of Allowed Claims free and clear of all claims, liens and encumbrances and contractually imposed restrictions. To the extent additional Assets of the Debtor are thereafter converted to Cash, such as the Edgartown Properties, such assets shall be transferred to, and held by, the Disbursing Agent in accordance with the Plan. All Distributions under the Plan shall be made by the Disbursing Agent. The Disbursing Agent shall have the authority to distribute the Available Cash in accordance with the terms of the Plan, and upon the consent of the Debtor to invest and reinvest the Available Cash Funds pending Distributions as required in the Plan in accordance with Section 345 of the Bankruptcy Code. Upon the consent of the Debtor, the Disbursing Agent shall also have the authority to pay all expenses incurred in connection with the post-Confirmation administration of the Debtor's estate from the Post-Confirmation Administrative Funds. The Disbursing Agent shall undertake all further actions necessary to effectuate the Plan in full, as directed by the Debtor. The Disbursing Agent will be responsible for timely payment of fees incurred pursuant to 28 U.S.C. ' 1930(a)(6). After confirmation, the Disbursing Agent will serve the United States Trustee with a quarterly financial report for each month (or portion thereof) the case remains open. The quarterly 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) The Debtor's Disbursing Agent's projections as to the Debtor's continuing ability to comply with the terms of the Plan; (4) a description of any other factors which may materially affect the Debtor's ability to consummate the plan; (5) an estimated date when an application for final decree will be filed with the court (in the case of the final report, the date the decree was filed); and a report to the Court in the event that there is a default under

the Plan. The Debtor shall seek such orders, judgments, injunctions and rulings from the Bankruptcy Court or such other court as may be appropriate that may be required to carry out the purposes of the Plan and give full effect to the provisions of the Plan.

7. Retention and Enforcement of the Debtor's Causes of Action

Pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, the Debtor shall retain and may enforce, any and all causes of action and claims of this bankruptcy estate, including, without limitation, all claims arising or assertable under the Bankruptcy Code, including, without limitation, claims and causes of action arising under Sections 510, 544,547, 548, 550 and 553 thereof. All property received as a result of the enforcement of any such claims shall be turned over to the Disbursing Agent pursuant to Section 6.2 of the Plan.

8. Treatment of Executory Contracts

Upon entry of the Confirmation Order, the current lease of the guest house located at 198 Oak Lane between the Debtor and Robin Marlof (as lessee) shall be assumed. Other than this lease contract, those pertaining to various current policies of insurance (liability, malpractice, etc.), AT&T cell phone plans, Lexis (legal research), the Debtor hereby rejects, pursuant to Section 365 of the Bankruptcy Code, any and all executory contracts, including unexpired leases of residential and/or non-residential real or personal property, employment contracts, termination benefits, supplemental retirement benefits and health and medical contracts not assumed, assumed and assigned, or rejected by an order of the Bankruptcy Court prior to such entry.

9. Retention of Jurisdiction

Until the Chapter 11 Case is closed by a final decree of the Bankruptcy Court, the Bankruptcy Court shall retain jurisdiction of the Debtor and these Chapter 11 Cases and all proceedings thereunder for the following purposes:

- a. To consider any proposed amendments or modifications of this Plan under Section 1127 of the Bankruptcy Code;
- b. To hear and determine any and all objections to the allowance of any Claims, including, without limitation, Secured Claims, Administrative Claims, Priority Claims, Priority Tax Claims, Escrow Claims, General Unsecured Claims and Subordinated Unsecured Claims (if any);
- c. To hear and determine any and all applications for allowance of compensation and/or reimbursement of expenses for services provided in connection with the Chapter 11 Case for periods prior to the Confirmation Date, and any and all disputes and controversies in connection with compensation and/or reimbursement of expenses arising out of services rendered to the Debtor by any Professional subsequent to the Confirmation Date;
- d. To hear and determine any and all applications pending at the Confirmation Date for the rejection of executory contracts and unexpired leases of real and personal property to which the Debtor are a party, and the allowance of any Claims resulting therefrom;
- e. To hear and determine any and all disputes and controversies arising under or relating to the Plan and any agreements incident hereto;
- f. To enforce and administer the terms and provisions of the Plan, and to correct any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order, as may be necessary to carry out the purposes and intent of the Plan and to effectuate payments under the Plan;
- g. To determine any and all applications, adversary proceedings and contested and litigated matters including, without limitation, all claims and/or causes of action under Sections

510,544,545,547,548, 549, 550 and 553 of the Bankruptcy Code, whether or not pending on the Confirmation Date or commenced thereafter;

- h. To enforce all orders, judgments, injunctions and rulings entered in connection with the Chapter 11 Cases;
- i. To hear and determine any and all applications, disputes and controversies relating to any disposition of Assets;
- j. To permit amendments to the Schedules;
- k. To determine such other matters and enter such orders as may be necessary or appropriate in aid of consummation and to facilitate implementation of the Plan;
- l. To modify any provision of the Plan to the full extent permitted by the Bankruptcy Code;
- m. To determine such other matters as may be provided for in the Confirmation Order or as may be authorized under the Bankruptcy Code; and
- n. To issue and enter an order closing the Chapter 11 Case.

10. Limitation of Liability

(a) The liability of Debtor's Counsel, the Disbursing Agent and all other professional persons for acts and omissions (if any) concerning this case shall be governed by applicable statute, case law and the orders of this or any other court of competent jurisdiction.⁸

Furthermore, nothing contained in this paragraph (or elsewhere in the Plan) shall relieve any of the aforementioned persons or entities from carrying out their responsibilities, if any, under the Plan.

11. Discharge of Professional Persons

⁸ See *Whispering Pines, Inc. v. Flash Island* (In re Whispering Pines, Inc. 370 B.R. 452 (BAP. 1st Cir. 2007).

Except only for their willful misconduct, gross negligence or fraud and subject to §10.1 *supra*, upon the Effective Date of this Plan, Debtor's Counsel and the Professional Persons retained by the Debtor shall be forever released and discharged from all Claims, demand, debts, rights, causes of action and liabilities, whether at law or in equity, liquidated or unliquidated, fixed or contingent, matured or unmatured known or unknown, foreseen or unforeseen, then existing or thereafter arising, including, without limitation, all further responsibilities and obligations in any way related to, arising from or in connection with the Plan or the Debtor's Chapter 11 Case.

12. Amendment, Modification or Revocation

The Debtor expressly reserve the right to amend, modify or to withdraw the Plan before the Confirmation Date to the full extent permitted by law. Subsequent to the Confirmation Date, the Debtor shall have the right to amend or modify the Plan to the fullest extent permitted by law.

IV. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The Plan should not have a significant impact on the federal, state and local income tax liabilities of a Holder of a Claim. Because of the differences both in tax statutes to which Holders of Claims may be subject and in accounting methods used, and prior tax positions taken by, such Holders, the tax consequences described below are general in nature and are subject to significant exceptions and uncertainties. Accordingly, the discussion that follows is not intended to be complete or detailed.

IN THIS SECTION IN PARTICULAR, AND IN THIS THIRD AMENDED DISCLOSURE STATEMENT GENERALLY, THE DEBTOR DO NOT INTEND TO GIVE

AND ARE NOT GIVING TAX OR OTHER LEGAL ADVICE TO ANY HOLDER OF A CLAIM OR INTEREST. THE DEBTOR ONLY PROVIDE THIS INFORMATION FOR PURPOSES OF ASSISTING THE PARTIES INVOLVED TO EVALUATE THE EXPECTED IMPACT OF TAX BENEFITS AND LIABILITIES, IF ANY, GENERATED BY THE PLAN IN GENERAL. EACH HOLDER OF A CLAIM OR INTEREST MUST CONSULT WITH ITS OWN TAX ADVISOR CONCERNING THE ACTUAL TAX CONSEQUENCES (INCLUDING STATE AND LOCAL TAX CONSEQUENCES) OF THE PLAN.

B. Federal Income Tax Consequences

All of the means of plan funding have been or shall be net of income tax amounts actual or estimated. Under Section 108 of the Tax Code, all of the cancellation of indebtedness income that the Debtor would otherwise realize as a result of the Plan will be excluded from the Debtor's taxable income because the Debtor are subject to the jurisdiction of the Bankruptcy Court. Holders of General Unsecured Claims will recognize gain or loss equal to the difference between their adjusted basis in their General Unsecured Claim and the sum of (i) any Cash distributed to them pursuant to the Plan, and (ii) the fair market value of any Assets transferred to them pursuant to the Plan. Such gain or loss will be a capital gain or loss if the General Unsecured Claim is a capital asset in the hands of the Holder. In addition, any amount attributable to interest owed to any such Holder would, to the extent not previously accrued as income, be taxable as ordinary income.

THE FOREGOING SUMMARY OF THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY. EACH CREDITOR OR INTEREST HOLDER SHOULD CONSULT ITS TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES TO SUCH HOLDER OF THE TRANSACTIONS

CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL AND FOREIGN TAX LAWS.

V. CONFIRMATION OF THE PLAN

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including: (i) that the Plan and its contents comply with the technical requirements of chapter 11 of the Bankruptcy Code, (ii) that Holders of Claims and Interests are grouped into Classes in a permissible fashion, (iii) that Confirmation of the Plan is in the "best interests" of all Holders of Claims and Interests, (iv) that the Plan is feasible, and (v) that the Debtor acted in good faith in proposing the Plan. THE DEBTOR BELIEVES THAT ALL SUCH REQUIREMENTS HAVE BEEN SATISFIED AND THEY INTEND TO SEEK RULINGS TO THAT EFFECT FROM THE BANKRUPTCY COURT AT THE CONFIRMATION HEARING.

In addition, the Bankruptcy Code requires (unless the "cramdown" provisions of the Bankruptcy Code are utilized) that the Plan must be accepted by the requisite votes of Holders of Claims in Class 3 (the "Voting Class"). *See* Third Amended Disclosure Statement Section V.D ("Acceptance of Plan"). Even if Holders of Claims in the Voting Class vote to accept the Plan, the Bankruptcy Court has an independent duty to determine the presence of each of the elements described above, particularly that the Plan is feasible and that it meets the "best interests" test. If the Voting Class votes to accept the Plan, the Debtor believes that the Plan should be confirmed, and it will seek such Confirmation, despite the objection of dissenting Holders of Claims or Interests. *See* Section V (E) of this Third Amended Disclosure Statement ("Confirmation Without Acceptance by All Impaired Classes").

A. Classification of Claims and Interests

The Bankruptcy Code requires that a plan place each creditor's claim and each interest Holder's interest in a class with "substantially similar" claims or interests. The Plan establishes five classes of Claims. Under the Plan, Claims which are entitled to secured status are placed into the following two classes: Class 1 (Secured Claims Relating to MVSBS and Class 2 (Secured Claims Relating Santander Bank and SVO Vistana Villages). General Unsecured Claims, including any Deficiency Claims, are placed into Class 3. The Claims of insiders of the Debtor are placed in Class 4 and Class 5 contains the Debtor's remainder interest in assets not liquidated to fund the Plan

In sum, the Debtor believe that the Plan's classification of Claims and Interests into the Classes assigned complies with the requirements of Sections 510(c), 1122, and 1129 of the Bankruptcy Code and applicable case law.

B. Best Interests of Creditors

Notwithstanding acceptance of the Plan, the Bankruptcy Court must find, whether or not any Party in interest objects to Confirmation, that the Plan is in the best interests of Holders of Claims and Interests. The "best interests" test is generally defined as the Bankruptcy Code's requirement that under the plan of reorganization each member of an impaired class of creditors must receive or retain on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount such creditor would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan is in the best interests of creditors.

The starting point in ascertaining whether the Plan meets the best interests test is a determination of the chapter 7 liquidation value of the Debtor's estate of the date hereof, the Debtor is in the process of liquidating assets necessary to fund the Plan. The Debtor believes that

he has maximized the realizable value of such Assets for the benefit of Creditors. In determining best interests, however, the value of the assets must be further reduced by the anticipated costs of completing a liquidation under chapter 7 of the Bankruptcy Code (including costs incurred by a chapter 7 trustee in liquidating Claims which would otherwise have been settled under the Plan, a chapter 7 trustee's fees and the fees and expenses of professionals retained by a chapter 7 trustee, and costs incurred by the estate in administering the chapter 7 case). In valuing the potential distributions in a chapter 7 liquidation context, the delay caused by conversion to and administration of a chapter 7 case must also be taken into account. Once the net present value of a chapter 7 distribution to an impaired Class is calculated, it must then be compared to the aggregate Distribution provided for that Class under the Plan.

In the event of a chapter 7 liquidation of the Debtor, the disposable income pledged in this case will not, in all likelihood be available for creditors. In addition, the Hall Family Contribution of \$200,000 will likewise be unavailable to creditors as it will not be provided to the Disbursing Agent until a Plan is confirmed. These two items alone, makes the Chapter 11 reorganization more appealing for unsecured creditors. In addition, the Debtor believes that a chapter 7 liquidation would entail delays in realizing Cash recoveries and result in far less Cash - - even before giving effect to the higher costs involved in a chapter 7 liquidation -- available for Distribution. Thus, a chapter 7 liquidation affords the prospect of a delayed recovery for creditors. In light of the Liquidation Analysis (Third Amended Disclosure Statement Exhibit 5) there is little doubt that all creditors with allowed claims would eventually be paid in full, though likely without interest. Yet these same creditors may have to wait years to be paid. By offering funds to help pay administrative, priority and unsecured creditors just after the Effective Date from non-estate funds is something that would not occur in a chapter 7 liquidation.

The revised method of treating the Claims of MVSB is superior to a liquidation because of two major factors: (1) MVSB would not be receiving regular monthly mortgage payments (which they have been since December 2015); and (2) the funds generate from the sale of the Edgartown Properties far exceed what would have occurred if one or both went to auction. By generating greater sales proceeds through private sales the loan-to-value ratio as to the Residence is much improved.

C. Feasibility

Section 1129(a) (11) of the Bankruptcy Code requires judicial determination that confirmation of a plan will not likely be followed by liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the plan, unless such liquidation or reorganization is proposed in the plan and the plan contemplates the liquidation of the Debtor's assets.

Given the successful marketing and sales of the Edgartown Properties (and concomitant payment to MVSB of \$797,654.36) and the strong revenue stream the Debtor receives from Seagate, Inc. each month and the new cash contribution from the family the Plan is feasible. The revenue stream from Seagate is borne out in the historical analysis completed by the Debtor's financial advisor, Jeffery S. Troderman (see Disclosure Statement Exhibit 7). All signs point toward this cash flow improving and not decreasing over the life of the Plan. The Debtor believes that the Plan is feasible under the standards promulgated under the Bankruptcy Code, and that the Debtor has the ability to effect payment of the amounts required to be paid under the Plan.

D. Acceptance of Plan

As a condition to Confirmation of the Plan, the Bankruptcy Code, with certain exceptions, requires that each impaired Class accept the Plan. In general, a class is "impaired" if

the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified, other than by curing defaults and reinstating maturities or by payment in full in cash. Under Section 1126(f) of the Bankruptcy Code, classes of claims that are not "impaired" under a plan are conclusively deemed to have accepted the plan, and under Section 1126(g) of the Bankruptcy Code, classes that receive no distributions under a plan are conclusively deemed to have rejected the plan. The Bankruptcy Code defines acceptance of a plan by a class of claims entitled to vote thereon as acceptance by Holders of two-thirds in dollar amount and a majority in number of allowed claims of that class, but each calculation includes only those who actually vote to accept or to reject the plan.

E. Confirmation Without Acceptance by All Impaired Classes

The Bankruptcy Code permits confirmation of a plan even if the plan is not accepted by all impaired classes. The provisions for confirmation of a plan despite the non-acceptance of one or more impaired classes of claims or interests are set forth in Section 1129(b) of the Bankruptcy Code which provides that, notwithstanding rejection of a plan by one or more impaired classes, the plan may still be confirmed, provided that the plan (i) has been accepted by at least one impaired class of claims, (ii) "does not discriminate unfairly" and is "fair and equitable" as to each impaired, non-accepting class, and (iii) the other requirements for confirmation (except acceptance by all impaired classes) are met. The Debtor is requesting confirmation of the Plan under section 1129(b) of the Bankruptcy Code notwithstanding the deemed rejection of the Plan by any Classes. Section 1129(a) (10) of the Bankruptcy Code provides that at least one non-insider impaired class must accept the Plan. Class 3 is impaired. The Debtor will need Class 3 to vote in favor of the Plan in order achieve confirmation and to ensure that there is no contravention of the absolute priority rule. It also bears noting that there is

substantial authority that supports the notion that this Court can find that the Creditors in Class 3 who fail to vote are deemed, under Section 1129(a)8 to have voted in favor of the Plan.⁹

F. Alternatives to the Plan

The Debtor believes that the Plan provides Creditors and Interest Holders with the greatest possible value and earliest possible returns that can be realized on their respective Claims or Interests, as the case may be. The alternatives to Confirmation of the Plan are (i) confirmation of an alternative plan under chapter 11 of the Bankruptcy Code submitted by a third-party or by another party in interest (each of which is highly unlikely), (ii) liquidation of the Debtor under chapter 7 of the Bankruptcy Code, and (iii) dismissal of the Chapter 11 Case. As discussed below, the Debtor believes that the Plan provides a greater and earlier recovery to Creditors than any of the stated alternatives.

1. Alternative Plan

If the Plan is not accepted, other parties in interest may have an opportunity to file a competing plan. The Debtor believes that no other plan would provide the Creditors with a greater value or earlier recovery than they would be entitled to receive under the Plan.

2. Liquidation

A liquidation of the Debtor under the provisions of chapter 7 of the Bankruptcy Code could be carried out. And it is likely that creditors might eventually receive full payment. Notwithstanding this, for the reasons described above, the Debtor believes that the Distributions to each impaired Class under the Plan will be paid faster than Distributions which might be received after a liquidation of the Debtor under chapter 7 of the Bankruptcy Code. Dismissal of the Chapter 11 Cases would, *inter alia*, leave the Debtor exposed to law suits based and leave the

⁹ See, e.g. in re Ruti-Sweetwater, Inc. 836 F.2d 1263 (10th Cir. 1988)

DIP Cash vulnerable to attachment by non-priority creditors. Upon dismissal, the protection of the Bankruptcy Code would evaporate, thereby resulting in costly, uncontrolled and protracted litigation in numerous forums throughout the country. The Debtor believes that dismissal of the Chapter 11 Cases is not a practical or favorable alternative.

3. Dismissal

Upon dismissal, the protection of the Bankruptcy Code would evaporate, thereby resulting in costly, uncontrolled and protracted litigation in the collection arena. The Debtor believes that dismissal of the Chapter 11 Cases is not a practical or favorable alternative.

G. Effect of Confirmation, Discharge Restrictions and Injunction

1. Discharge Under 11 U.S.C. Section 1141(d)(5)(A): Pursuant to 11 U.S.C. Section 1141(d)(5)(A) “unless after notice and a hearing the court orders otherwise for cause, confirmation of the plan does not discharge any debt provided for in the plan until the court grants a discharge on completion of all payments under the plan,” Therefore, except as provided in Section 2 infra the Debtor shall be entitled to a discharge only if this court deems that he has completed all plan payments and the court enters a formal order of discharge.

2. Discharge Under 11 U.S.C. Section 1141(d)(5)(B): Pursuant to Section 1141(d)(5)(B) At any time after the confirmation of the plan, and after notice and a hearing, the court may grant a discharge to the Debtor who has not completed payments under the plan if (i) the value, as of the effective date of the plan, of property actually distributed under the plan on account of each allowed unsecured claim is not less than the amount that would have been paid on such claim if the estate of the Debtor had been liquidated under chapter 7 on such date; and (ii) modification of the plan under section 1127 is not practicable; and (iii) unless after notice and a hearing held not more than 10 days before the date of the entry of the order granting the

discharge, the court finds that there is no reasonable cause to believe that (i) section 522 (q)(1) may be applicable to the Debtor; and (ii) there is pending any proceeding in which the Debtor may be found guilty of a felony of the kind described in section 522 (q)(1)(A) or liable for a debt of the kind described in section 522 (q)(1)(B).

No Creditor of the Debtor may receive any payment from, or seek recourse against, any Assets which are to be distributed under Sections IV and V of the Plan, except for those distributions expressly provided for in said Sections IV and V. As of the Confirmation Date, all entities are precluded from asserting, against any property which is to be distributed under the Plan, any claims, obligations, rights, causes of action, liabilities or equity interest based upon any act, omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, other than as expressly provided for in the Plan or the Confirmation Order, whether or not (a) a Proof of Claim or interest based upon such claim or interest is Filed or deemed Filed pursuant to Section 501 of the Bankruptcy Code, (b) a claim or interest based upon such debt or interest is allowed pursuant to Section 502 of the Bankruptcy Code, or (c) the Holder of a claim or interest based upon such debt or interest has accepted the Plan.

3. Injunction

Effective on the Confirmation Date, all Persons who have held, hold or may hold Claims, or who have held, hold or may hold Interests, shall be enjoined from taking any of the following actions against or affecting the Debtor or the Assets (other than actions brought to enforce any rights or obligations hereunder or appeals, if any, from the Confirmation Order or with respect to such Claims or Interests): (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Debtor, on account of any Claim or Interest; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any

manner or means, whether directly or indirectly, any judgment, award, decree or order against the same or the Assets on account of any Claim or Interest; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any Lien of any kind against the Debtor, or the Assets on account of any Claim or Interest, other than as contemplated hereby; (iv) asserting any set-off, right of subrogation, reimbursement, or recoupment of any kind, directly or indirectly, against any obligation due the Debtor on account of any Claim or Interest, except to the extent such right had been asserted in writing pursuant to motion, stipulation or other pleading Filed with Bankruptcy Court and served upon the Debtor's Counsel prior to entry of the Confirmation Order; and (v) proceeding in any manner in any place whatsoever with any action that does not conform to or comply with the provisions of the Plan.

The Injunction is a material provision of the Plan. The validity and enforceability of the Injunction may become the subject of litigation before or after the Confirmation of the Plan. No assurance can be given that other courts, exercising their legal or equitable powers, might not attempt to vacate or modify the Injunction. Nevertheless, the Debtor believes that adequate bases exist for such courts to uphold the Injunction in the context of the Plan for the benefit of all creditors. Moreover, the Debtor believes that any test of the validity and applicability of the Injunction would occur in, or be removed to, the Bankruptcy Court under its continuing exclusive jurisdiction over the Debtor's property and the Plan.

H. Confirmation Hearing

The Bankruptcy Court will conduct the Confirmation Hearing commencing on _____ at United States Bankruptcy Court for the District of Massachusetts, John. W. McCormack Post Office and Court House 5 Post Office Square, Courtroom No. 1, Boston, MA 02109-3945. The Confirmation Hearing may be adjourned from time to time

without notice other than an announcement in open court. Any objection to Confirmation of the Plan must be in writing and state the grounds therefor, and must be Filed with the Bankruptcy Court and received in the Judge Feeney's chambers and by the attorneys listed in the notice of the Confirmation Hearing on or before _____, 2016 at 4:30 p.m.

VII. POST-CONFIRMATION MANAGEMENT

The Debtor shall continue uninterrupted with all duties and responsibilities he has had as a debtor in possession. It is anticipated that Jeffrey Troderman will serve as the Disbursing Agent under the Plan, with compensation at a rate set identical to that set forth in his application to be employed.

Postconfirmation Martha's Vineyard Savings Bank shall (1) send to the Debtor monthly mortgage statements; (2) provide annual tax documents; and (3) report all payments made to the appropriate credit reporting agencies.

VIII. CONCLUSION

The Debtor believes that acceptance of the Plan is in the best interests of Creditors and recommends that you vote to accept or not object to the Plan.

Respectfully submitted,
BENJAMIN L. HALL, JR.

/s/ Alexander L. Cataldo

Dated: September 5, 2016

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