

B25B (Official Form 25B) (12/08)

**United States Bankruptcy Court**  
**Eastern District of Pennsylvania**

In re **2301 Investors, L.P.**

Debtor(s)

Case No. **15-14255**

Chapter **11**

Small Business Case under Chapter 11

**2301 INV., L.P.'S AMENDED DISCLOSURE STATEMENT, DATED 7/13/16**

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**I. INTRODUCTION**

This is the disclosure statement (the "Disclosure Statement") in the chapter 11 case of 2301 Investors, L.P. (the "Debtor"). This Disclosure Statement contains information about the Debtor and describes the **Chapter 11 Plan** (the "Plan") filed by 2301 Investors, L.P. on May 13, 2016. A full copy of the Plan is attached to this Disclosure Statement as Exhibit "A". ***Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

**A. Purpose of This Document**

This Disclosure Statement describes:

The Debtor and significant events during the bankruptcy case,  
 How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim if the plan is confirmed),  
 Who can vote on or object to the Plan,  
 What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,  
 Why Debtor believes the Plan is feasible, and how the treatment of your claim under the Plan compares to what you would receive on your claim in liquidation, and  
 The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

**B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

**1. Time and Place of the Hearing to Confirm the Plan**

The hearing at which the Court will determine whether to approve this Disclosure Statement and confirm the Plan will be set by the Court **JULY 20, 2016 @ 1:00 P.M.**, at the Robert N.C. Nix Courthouse, 900 Market Street, Philadelphia, Pa. 19107.

**2. Deadline For Voting to Accept or Reject the Plan**

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope c/o Demetrius J. Parrish, Jr., Esquire, 7715 Crittenden Street, #360, Philadelphia, Pa. 19118. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by (a date will be set by the Court) or it will not be counted.

**3. Deadline For Objecting to the Adequacy of Disclosure and Confirmation of the Plan**

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon (a date set by the Court).

**4. Identity of Person to Contact for More Information**

If you want additional information about the Plan, you should contact:

Demetrius J. Parrish, Jr., Esquire

7715 Crittenden Street, #360

Philadelphia, Pa. 19118

(215) 735 - 3377

## **II. BACKGROUND**

### **A. Description and History of the Debtor's Business**

The Debtor is a Partnership created in 2011 for the purpose of acquiring the property at 2301 Hunting Park Avenue, Philadelphia, Pa.

### **B. Insiders of the Debtor**

Debtor is a limited partnership between Dean Ciafiero, DTC Corporation and Hunting Fox GP I

### **C. Management of the Debtor Before and During the Bankruptcy**

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will be:

Dean Cafiero

### **D. Events Leading to Chapter 11 Filing**

Debtor's property at 2301 Hunting Park Avenue, Philadelphia, Pa. 19140 was scheduled for sheriff sale on June , 2015 for delinquent real estate taxes and water bills.

### **E. Significant Events During the Bankruptcy Case**

1. Debtor has sought the input of local and state politicians to assist in developing the existing property to attract serious investors to develop the property. The first step in developing the property is to demolish the existing structures. Debtor estimates that the demolition of structures on the 2301 Hunting Park lot only will cost \$5 million. With the assistance of its State Representative and Senator, Debtor is seeking state grants for demolition. Additionally, Debtor is currently in discussions with Signature Partners (NY) and Alliance HSP to invest the difference between state grants and the costs for demolition.
2. Debtor is working with City Councilman Curtis Jones to address pre-petition real estate tax and water revenue tax balances.
3. Debtor is working with State Senator Vincent Hughes to obtain Keystone Opportunities Zone status to receive an abatement of post petition Real Estate and Water assessments. (Please see attached supplement).

### **F. Claims Objections**

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

**G. Current and Historical Financial Conditions**

The debtor's sole asset is the property at 2301 Hunting Park Avenue, Philadelphia, Pa. 19140. It is the former Budd Factory that manufactured railroad and automobile parts in the early and mid - twentieth century. Several years ago the factory closed and has been dormant ever since. In 2011, a partner of the Debtor's organization, Dean Ciafiero acquired the property as part of the acquisition of several acres comprising the Budd Plant. Since acquiring the property, Debt had been seeking development partners and/or investors willing to demolish the existing structures on the property to build a mall similar to the one recently built at a location across the street known as Baker's Square. Baker's Square was built on the site of the former Tastykake bakery and is now the home of several retail stores providing commerce and employment to the community of North Central Philadelphia.

East of Debtor's location, is another development project that revitalized a portion of the former Budd plant, the Salvation Army Kroc Center, a fitness center built adjacent to Debtor's property.

**III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS****A. What is the Purpose of the Plan of Reorganization?**

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan. The Debtor's primary creditor is City of Philadelphia to which the Debtor owes real estate taxes and water bills for water run - off assessments.

**B. Unclassified Claims**

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has not placed the following claims in any class:

**1. Administrative Expenses**

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date	<b>Real estate taxes and water run-off assessments</b>	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	<b>undetermined</b>	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Office of the U.S. Trustee Fees	<b>undetermined</b>	Paid in full on the effective date of the Plan
<b>TOTAL</b>		

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart lists the Debtor's estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
<b>Class 1</b> <b>City of Philadelphia - Real Estate Tax*</b>	<b>\$51,000</b>	<b>2011 - 2015</b>	<b>Debtor has requested assistance of its City Councilman, Curtis Jones who will propose an ordinance in City Council to forgive pre-petition R.E. tax and water rev. arrears that will be presented to the State Legislature for approval.</b>

C. **Classes of Claims and Equity Interests**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or set-offs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

<u>Class #</u>	<u>Description</u>	<u>Insider ? (Yes or No)</u>	<u>Impairment</u>	<u>Treatment</u>
<b>2</b>	<i>Secure claim of:</i> Name = <b>City of Philadelphia</b>  Collateral Description = <b>2301 Hunting Park Avenue, Phila., Pa. 19140</b>  Allowed Secured Amount = \$ 124,157.67 + 9% per anum	<b>No</b>	Impaired	Debtor is seeking forgiveness of the debt by Philadelphia's City Council.

Class #	Description	Insider ? (Yes or No)	Impairment	Treatment
2	<p><i>Secure claim of:</i> Name = <b>Philadelphia Department of Water Revenue</b></p> <p>Collateral Description = <b>2301 Hunting Park Avenue, Philadelphia, Pa. 19140</b></p> <p>Allowed Secured Amount = <b>\$ 122,2350.24</b></p>	NO	Impaired	Debtor is seeking forgiveness of the debt by Philadelphia's City Council.

#### 4. *Class of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company ("LLC"), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder. The following chart sets forth the Plan's proposed treatment of the class[es] of equity interest holders:

Class #	Description	Impairment	Treatment
3	<p><b>Equity interest holders</b> Dean Ciafiero DTC Corporation Hunting Fox GP I</p>	Unimpaired	

### D. **Means of Implementing the Plan**

#### 1. *Source of Payments*

Debtor has sought the input of local and state politicians to assist in developing the existing property to attract serious investors to develop the property. The first step in developing the property is to demolish the existing structures. Debtor estimates that the demolition of structures on the 2301 Hunting Park lot only will cost \$5 million. With the assistance of its State Representative and Senator, Debtor is seeking state grants to finance a portion of the demolition. Additionally, Debtor is currently in discussions with Signature Partners (NY) and Alliance HSP to invest the difference between state grants and the costs for demolition.

Debtor is working with City Councilman Curtis Jones to address pre-petition real estate tax and water revenue tax balances. Councilman Jones will present, for City Council's approval, an ordinance to forgive the Debtor's pre-petition Real Estate tax and Water balances.

Debtor is working with State Senator Vincent Hughes to obtain Keystone Opportunities Zone status to receive an abatement of post petition Real Estate and Water assessments.

Debtor expects the opportunities and benefits to the City of Philadelphia will attract State and Local approval of legislation to forgive its pre-petition arrears. Additionally, the subject property was previously placed in the Keystone Opportunities Zone when it was being considered a potential site for a local casino.

An inspection of the property by State and Local politicians is scheduled for 7/22/2016.

2. *Post-confirmation Management*

**G. Tax Consequences of Plan: N/A at this time**

*Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.*

**IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

**A. Who May Vote or Object**

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that no classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes \_\_ are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is **Not** Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

holders of claims and equity interests that have been disallowed by an order of the Court;

holders of other claims or equity interests that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes.

holders of claims or equity interests in unimpaired classes;

holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and

holders of claims or equity interests in classes that do not receive or retain any value under the Plan; administrative expenses.

***Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan [and to the Adequacy of the Disclosure Statement].***

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

**B. Votes Necessary to Confirm the Plan**

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cram down" on non-accepting classes, as discussed later in Section [B.2.].

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Non-accepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not "discriminate unfairly," and is "fair and equitable" toward each impaired class that has not voted to accept the Plan.

***You should consult your own attorney if a "cramdown" confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.***

**C. Liquidation Analysis**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis will be provided upon the Court approving Debtor's Motion to Obtain Financing.

**D. Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement.



2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent will provide financial projections once an investor an agreement is made with an investor and the Court approves Debtor's Motion to Obtain Financing.

**V. EFFECT OF CONFIRMATION OF PLAN**

**A. DISCHARGE OF DEBTOR**

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code. However, the Debtor shall not be discharged from any debt imposed by the Plan. After the effective date of the Plan your claims against the Debtor will be limited to the debts imposed by the Plan.

**B. Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

Upon request of the Debtor, the United States trustee, or the holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.

**C. Final Decree**

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

**VI. OTHER PLAN PROVISIONS**

None

/s/ Dean Ciafiero

**2301 Investors, L.P.**

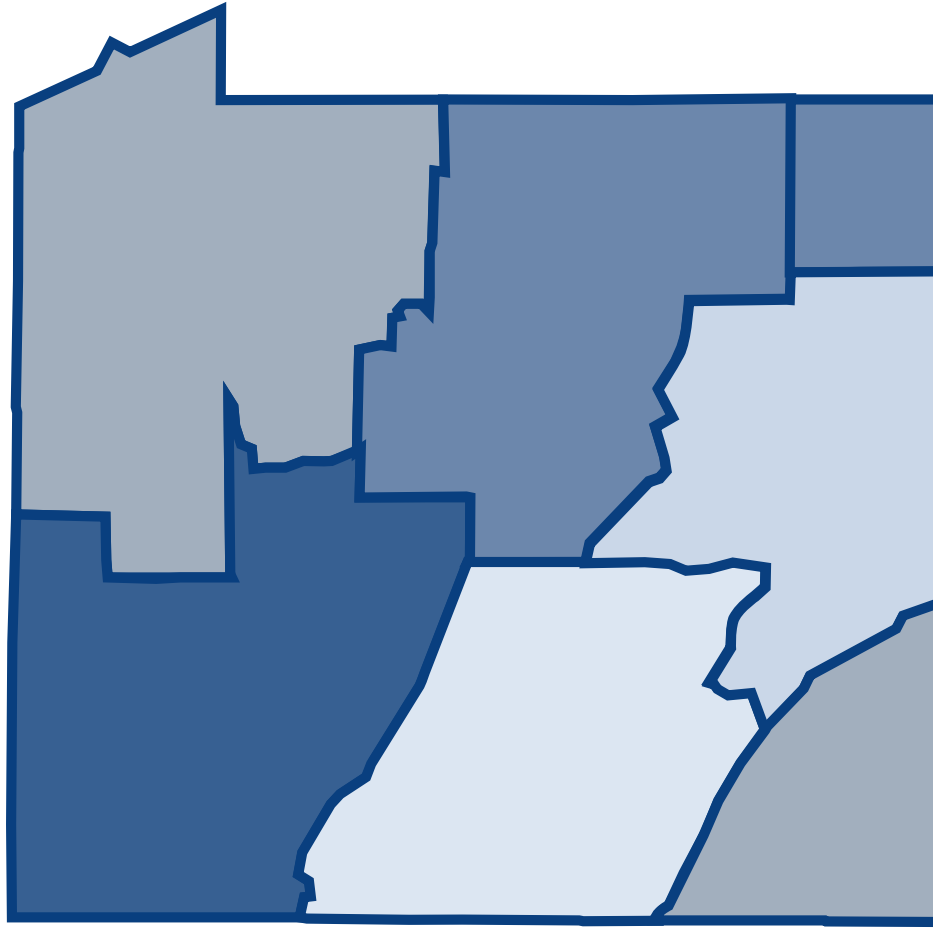
[Signature of the Plan Proponent]

/s/ Demetrius J. Parrish, Jr.

**Demetrius J. Parrish, Jr.**

[Signature of the Attorney for the Plan Proponent]

**EXHIBIT "A"**



## Keystone Opportunity Zone (KOZ)

Click on each region to see the contact information for that specific county.

### KOZ Impact

As of January 31, 2015, the KOZ applicants have created 9,968 jobs and invested \$1,516,737,21 of the KOZ initiative, there have been multiple opportunities for local communities to designate

### Application & Tools

- **Keystone Opportunity Zone (KOZ) Online Application (<https://www.dced.state.pa.us/koz>)**

- [KOZ Extension Application \(/download/koz-extension-2014f-pdf/?wpdmdl=57674\)](/download/koz-extension-2014f-pdf/?wpdmdl=57674)
- [KOZ Change of Status Notification \(/koz-change-of-status/\)](/koz-change-of-status/)
- [KOZ Guidelines and Coordinators \(/download/koz-guidelines-2015/?wpdmdl=56929\)](/download/koz-guidelines-2015/?wpdmdl=56929)

[PA KOZ | An Overview 2011-2014 \(/download/koz-report-2011-2014-f/?wpdmdl=5841\)](/download/koz-report-2011-2014-f/?wpdmdl=5841)

## Pennsylvania Keystone Opportunity Zone

The Number One Economic Development Strategy in the Nation.

Keystone Opportunity Zones are such a breakthrough idea that Business Facilities magazine calls the development strategy in the nation. By eliminating specific state and local taxes within specific underdeveloped areas, communities within Pennsylvania are experiencing economic growth and investment. KOZs represent a partnership among state and local taxing bodies, school districts, economic development agencies and other organizations.

### Tax Liability

Binding ordinances and resolutions are passed granting the waiver, abatement or exemption of certain taxes. Depending on the situation, the tax burden maybe reduced to zero through exemptions, deduction or credits. The following:

- **State Taxes:** Corporate Net Income Taxes, Capital Stock Foreign Franchise Tax, Personal Income Tax, Bank Shares and Trust Company Shares Tax, Alternative Bank and Trust Company Shares Tax, Insurance Premiums Tax
- **Local Taxes:** Earned Income/Net Profits Tax, Business Gross Receipts, Business Occupancy, Mercantile Taxes, Local Real Property Tax, Sales and Use Tax

## Length of Tax Relief

Zones expire at various times. Please check with the specific Zone Coordinator using our interactive this page, or view our **KOZ contacts list PDF** (</download/koz-coordinators-pdf/?wpdmdl=58226>).

## Administration

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The Department of Community and Economic Development provides the organizational framework and operations of KOZs. Local jurisdictions designate coordinators as a single point of contact for

## KOZ Fact Sheet

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**KOZ FactSheet** (</download/koz-factsheet-2014-pdf/?wpdmdl=59497>)

