

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE,	)	
	)	No. 15-24475
Willy Batuner,	)	
Debtor.	)	Hon. Judge Janet S. Baer
	)	Chapter 11
	)	

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**DISCLOSURE STATEMENT IN SUPPORT OF  
DEBTOR'S MODIFIED PLAN OF REORGANIZATION**

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**DATED JUNE 1, 2016**

By: /s/ O. Allan Fridman  
Attorney for the Plan Proponent

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THIS DISCLOSURE STATEMENT (“**DISCLOSURE STATEMENT**”) FILED BY THE DEBTOR, (THE “**DEBTOR**”), MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN OF REORGANIZATION (THE “**PLAN**”), DATED AS OF THE DATE HEREOF.

ALL CREDITORS AND PARTIES IN INTEREST THAT ARE ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE ENTIRE DISCLOSURE STATEMENT FURNISHED TO THEM AND THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT, PRIOR TO SUBMITTING A BALLOT PURSUANT TO THIS SOLICITATION. THE DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT IS INTENDED AS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN ITSELF, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT. EACH CREDITOR AND PARTY IN INTEREST SHOULD READ, CONSIDER AND CAREFULLY ANALYZE THE TERMS AND PROVISIONS OF THE PLAN.

THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF CREDITORS. ALL CREDITORS ENTITLED TO VOTE ARE URGED TO VOTE IN FAVOR OF THE PLAN. VOTING INSTRUCTIONS ARE CONTAINED IN THE SECTION OF THIS DISCLOSURE STATEMENT TITLED “VOTING INSTRUCTIONS.” TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED AND EXECUTED AND RECEIVED BY THE CLERK OF THE BANKRUPTCY COURT BY NO LATER THAN 4:30 P.M., CENTRAL STANDARD TIME, ON \_\_\_\_\_ UNLESS SUCH DEADLINE IS EXTENDED BY ORDER OF THE COURT.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

NO PERSON IS AUTHORIZED IN CONNECTION WITH THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS OR DOCUMENTS ATTACHED HERETO OR INCORPORATED BY REFERENCE OR REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEBTOR. SUCH ADDITIONAL REPRESENTATIONS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR, WHO IN TURN WILL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR ACTION AS MAY BE DEEMED APPROPRIATE. THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCES IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. THIS DISCLOSURE STATEMENT IS DATED \_\_\_\_\_ AND CREDITORS AND HOLDERS OF INTERESTS ARE ENCOURAGED TO REVIEW THE BANKRUPTCY DOCKET IN THIS CASE IN ORDER TO EVALUATE EVENTS WHICH OCCUR BETWEEN THE DATE OF THIS DISCLOSURE STATEMENT AND THE DATE OF THE CONFIRMATION HEARING. ALL CREDITORS WHICH ARE ENTITLED TO VOTE ARE ENCOURAGED TO READ AND CAREFULLY

CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING THE PLAN AND THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT, PRIOR TO SUBMITTING A BALLOT PURSUANT TO THIS SOLICITATION.

THE DEBTOR HAS ATTEMPTED TO PRESENT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT ACCURATELY AND FAIRLY TO THE BEST OF ITS ABILITY. THE ASSUMPTIONS UNDERLYING THE ANTICIPATION OF FUTURE EVENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE ONLY ASSUMPTIONS OR PREDICTIONS OF FUTURE EVENTS, THERE CAN BE NO ASSURANCE THAT THE EVENTS WILL OCCUR.

IN THE EVENT THAT ANY OF THE CLASSES OF HOLDERS OF IMPAIRED CLAIMS VOTE TO REJECT THE PLAN, (1) THE DEBTOR MAY ALSO SEEK TO SATISFY THE REQUIREMENTS FOR CONFIRMATION OF THE PLAN WITH RESPECT TO THAT CLASS UNDER THE “CRAM-DOWN” PROVISIONS OF SECTION 1129(b) OF THE BANKRUPTCY CODE, AND, IF REQUIRED, MAY AMEND THE PLAN TO CONFORM TO SUCH REQUIREMENTS OR (2) THE PLAN MAY BE OTHERWISE MODIFIED OR WITHDRAWN.

THE REQUIREMENTS FOR CONFIRMATION, INCLUDING THE VOTE OF HOLDERS OF IMPAIRED CLASSES TO ACCEPT THE PLAN AND CERTAIN OF THE STATUTORY FINDINGS THAT MUST BE MADE BY THE BANKRUPTCY COURT, ARE SET FORTH UNDER THE CAPTION “VOTING ON AND CONFIRMATION OF THE PLAN.”

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### List of Exhibits for Combined Plan and Disclosure Statement

Exhibit 1.....	A Ballot for acceptance or Rejection
Exhibit 2.....	Debtor's plan of Reorganization
Exhibit 3.....	Financial Projections
Exhibit 4.....	Summary Pages of Debtor's Bankruptcy Operating Reports
Exhibit 5 .....	Liquidation Analysis
Exhibit 6 <sup>1</sup> .....	12 Month Prepetition Financial

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<sup>1</sup> This Exhibit was not available at the time of filing and will be filed within 14 days.

## I. INTRODUCTION

The Debtor submits this Disclosure Statement (“**Disclosure Statement**”) pursuant to Section 1125 of the Bankruptcy Code, 11 U.S.C. § 101, *et seq.* (the “**Bankruptcy Code**”), in connection with the solicitation of votes on the Debtor’s Plan of Reorganization (the “**Plan**”) submitted by the Debtor, Willy Batuner (the “Debtor”), and the consolidated hearing on the approval of the Disclosure Statement and on the confirmation of the Plan (the “**Consolidated Hearing**”) currently set for \_\_\_\_\_, at \_\_\_\_ A.M. at the United States Bankruptcy Court for the Northern District of Illinois, 219 S. Dearborn Street, Courtroom 642, Chicago, Illinois.

At the Consolidated Hearing, the Bankruptcy Court (the “**Court**”) will consider whether this Disclosure Statement in accordance with Section 1125(b) of the Bankruptcy Code contains information of a kind and in sufficient detail adequate to enable a hypothetical reasonable investor typical of the holders of Claims of the relevant Voting Classes (as defined below) to make an informed judgment whether to accept or reject the Plan. Approval of this Disclosure Statement by the Bankruptcy Court and the transmittal of this Disclosure Statement does not, however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan and should not be interpreted as being a recommendation by the Bankruptcy Court either to accept or reject the Plan.

Upon approval of the Disclosure Statement, the Bankruptcy Court shall immediately commence a hearing to consider confirmation of the Plan.

In summary, but subject to more specific details provided herein and in the Plan, the treatment of claims under the Plan contemplates a greater recovery than that which is likely to be achieved under other alternatives for reorganization or liquidation of the Debtor.

Accordingly, the Debtor believes that confirmation of its Plan is in the best interests of the Creditors and recommends that you vote to accept the Plan.

Accompanying or included as exhibits to this Disclosure Statement are the following:

1. A ballot for acceptance or rejection of the Plan;
2. The Plan (as Exhibit 1 to the Disclosure Statement);
3. Financial Projections of the Debtor;
4. Summary Pages of Debtor's Bankruptcy Operating Reports;
5. A Liquidation Analysis;
6. 12 Month Prepetition Financial;

### A. Purpose of This Document

The purpose of this Disclosure Statement is to provide the Holders of Claims with adequate information to make an informed judgment about the Plan. This information includes, among other things, (a) the procedures for voting on the Plan, (b) a summary of the Plan and an explanation of how the Plan will function, including the means of implementing and funding the Plan, (c) general information about the history and business of the Debtor prior to the Petition.

Date, (d) the events leading to the filing of the bankruptcy petition, and (e) a summary of significant events which have occurred to date in this bankruptcy case.

This Disclosure Statement contains important information about the Plan and considerations pertinent to a vote for, or against, the confirmation of the Plan. All parties entitled to cast a ballot are encouraged to review this Disclosure Statement carefully.

Unless otherwise defined herein, all capitalized terms used in this Disclosure Statement have the meanings ascribed to them in the Plan. Any other term used in this Disclosure Statement and not otherwise defined shall have the meaning given to it in the Bankruptcy Code.

## **B. Voting Instructions**

### *Who May Vote*

Only the Holders of Claims which are deemed "Allowed" under the Bankruptcy Code and which are "Impaired" under the terms and provisions of the Plan are permitted to vote to accept or reject the Plan. For purposes of the Plan, the Holders of Allowed Claims in the Voting Classes (i.e. Classes 3 and 4) are Impaired under the Plan and thus may vote to accept or reject the Plan. Accordingly, a Ballot is being provided to members of the Voting Classes.

## **C. How to Vote**

Each holder of a Claim in a Voting Class should read this Disclosure Statement, together with the Plan and other exhibits hereto, in their entirety. After carefully reviewing the Plan and this Disclosure Statement and their respective exhibits, please complete the enclosed Ballot, including indicating your vote thereon with respect to the Plan, and return it as provided below. If you are a member of a Voting Class and did not receive a Ballot, if your Ballot is damaged or lost, or if you have any questions concerning voting procedures, please call O. Allan Fridman, counsel for the Debtor.

**YOU SHOULD COMPLETE AND SIGN THE ENCLOSED BALLOT AND RETURN IT AS DESCRIBED BELOW. IN ORDER TO BE COUNTED, BALLOTS MUST BE DULY COMPLETED AND EXECUTED AND RECEIVED BY NO LATER THAN 4:30 P.M. (EASTERN STANDARD TIME) ON THE BALLOT DATE DEADLINE OF \_\_\_\_\_ UNLESS SUCH DEAD LINE IS EXTENDED BY COURT ORDER**

All Ballots should be returned and delivered by regular mail, hand delivery or overnight delivery:

Office of the Clerk  
United States Bankruptcy Court Northern District of Illinois  
219 South Dearborn Street, 11th Floor  
Chicago, IL 60604

And a copy of the executed Ballot should be mailed to:

O. Allan Fridman  
Attorney for the Debtor  
555 Skokie, Blvd., Suite 500  
Northbrook, IL 60062, Tel: 847-412-0788

As the holder of an Allowed Claim in the voting Classes, your vote on the Plan is extremely important. In order for the Plan to be accepted and thereafter confirmed by the Court without resorting to the "cram-down" provisions of Section 1129(b) of the Bankruptcy Code as to other classes of Allowed Claims, votes representing at least two-thirds in amount and more than one-half in number of Allowed Claims of each impaired Class of Claims that are voting must be cast for the acceptance of the Plan. The Debtor is soliciting acceptances only from members of the Voting Classes. You may be contacted by the Debtor with regard to your vote on the Plan.

Procedures and more information concerning the acceptance and rejection of the Plan are set forth more fully in the section titled "Acceptance or Rejection of the Plan" on page 13.

### **C. Confirmation Hearing**

Pursuant to section 105(d) (2) (B) of the Bankruptcy Code, the Court has ordered that the hearing ("Consolidated Hearing") on the approval of this Disclosure Statement shall be consolidated with the hearing on the confirmation of the Plan, which hearing has been set for \_\_\_\_\_ at 10:30 a.m. at the United States Bankruptcy Court for the Northern District of Illinois, Courtroom 682, Chicago, Illinois. The Consolidated Hearing may be adjourned from time to time by the Court without further notice except for an announcement of the adjourned date made at the hearing.

Objections to confirmation of the Plan or to approval of the Disclosure Statement shall be filed with the Court on or before \_\_\_\_\_ and served by the same date on the Debtor, Debtor's counsel and the United States Trustee.

## **II. BACKGROUND**

### **A. History of the Debtor Prior to Chapter 11**

For 31 years, Willy Batuner ("Batuner") owned and operated an auto body repair facility and used car dealership in Milwaukee, Wisconsin. Batuner immigrated to the United State from the former Soviet Union nearly 35 years ago Batuner and his brother formed G and B Auto Sale, Inc. ("G&B") on November 7, 1983 in Milwaukee Wisconsin. G &B focused on used car sales and auto body repair and successfully grew their business. Over the Course of its 31-year existence G&B grew and Batuner and his brother were able to purchase G&B's Milwaukee location, at 8482 W Hampton Ave, Milwaukee, WI. The acquisition of G&B's Milwaukee location and its used car inventory were financed by M&I Isley Bank. During operations, Batuner managed the auto body facility while his brother Gene managed the used car sales portion of the business. As the business grew, G&B was able to obtain business credit lines to finance its inventory through a credit Line with M&I Isley Bank. Batuner guaranteed the credit line with a junior mortgage on his home.

The business was successful and Batuner began expanding into other business ventures. In 2000, Batuner acquired real property located at 1305 Asbury Lane, Winnetka, IL. This property was renovated and then was rented out for several years. ("Investment Property.") Due to its location the Investment property was able to generate a profit. Unfortunate in 2008 as the general real estate market declined Batuner was unable to rent the investment property for an amount sufficient to pay

the mortgage and expenses. At the same time, the value of the property drastically fell and Batuner was unable to sell the investment property. Because of the economic crisis Batuner's credit score declined and he was required to pledge additional personal assets to secure G&B credit line.

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

As the economy worsened in 2009, G&B sought other markets to sell its vehicles. In 2009 G&B began exporting vehicles to Russia for resale. At first, the export business was profitable and this export income supplemented the falling local sales. In late 2011, G&B shipment to Russia was delayed in Norway due to changes in the Russian Tax law greatly increasing the import tax of the vehicles, causing the buyers to abandon the vehicles in Norway. Unable to locate the vehicles G&B suffered another great loss. At the same time with the general economic crisis, a large number of G&B used car buyers in Milwaukee defaulted on their car loans. As the economy worsened auto finance companies changed the default loan charge back procedures. These procedures governed what occurred if a buyer of a vehicle defaulted within a certain time after a purchase resulting in the dealership being charged back the default in an event of default. The finance companies increased the charge back period to six months from the sale. This resulted in the loan balance being charged back to G&B if the borrower defaulted within the first six months of the loan. G&B attempted to recover vehicles but often the vehicles were unrecoverable or stripped for parts. With the losses from the export vehicles and domestic sales, G&B was unable to pay its mortgage of the property. Because of the mounting losses, G&B's credit line was frozen and it was unable to purchase additional vehicles. Batuner attempted to keep G&B operating and expended personal savings to buy inventory and parts. In 2014 G&B's Milwaukee location was foreclosed upon and it ceased all operations. The Debtor guaranteed G&B business loans personally and with his primary residence.

In 2014, Batuner was left unemployed and sought employment. In 2015, Batuner began working two jobs and his spouse Lilly Batuner began working a second job. Because of their hard work, they were able to increase their monthly income to nearly \$8,000 per month. In addition, the value of the Investment property has risen to the pre-economic crisis levels and the investment property has been listed for sale to satisfy the underlying debt of the investment property.

Along with the foreclosure of G&B property BMO Harris("BMO") as an assignee of M&I Isley institute foreclosure on the Batuner personal residence at 750 Sarah Lane, Northbrook, IL seeking to collect on two separate maximum lien mortgage of \$180,000.00 and \$100,000.00 for a total secured claim of \$280,000 plus interest and costs. BMO also sought to collect \$421,010.70, representing the unsecured portion of the G&B Credit line. In this bankruptcy case, BMO improperly combined the mortgages and unsecured balance to allege a secured claim of \$691,627.17. Batuner has objected to this proof of claim and a resolution will determine the actual amount of BMO's claim.

Batuner filed this case to preserve his personal residence at 750 Sarah Lane and attempt to repay all his debts. The 750 Sarah Lane, was purchased in 2005 with a 15 year mortgage and has a small balance that will be paid in full in 2020. The Debtor is working toward a prompt exit strategy from this Chapter 11 case that encompasses reinstating the first mortgage on the 750 Sarah Lane and working toward paying the secured junior mortgages of the property.

### **C. Significant Events during the Bankruptcy Case**

On July 17, 2015, the Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code. Below is a brief summary of certain significant matters or events that have occurred to date in this case.

#### *Schedules and Statement of Financial Affairs*

On July 17, 2015, the Debtor filed his Schedules and the Statement of Financial Affairs.

#### *Section 341 Meeting of Creditors*

On August 25, 2015 the United States Trustee convened and concluded a meeting of creditors pursuant to Section 341 of the Bankruptcy Code.

#### *Motion for Relief of the Automatic Stay*

On September 8, 2015 BMO filed a Motion for Relief of the Automatic Stay. The Debtor filed a response. BMO filed a motion to extend time. The Motion is set for hearing on November 3, 2015.

#### *Employment of Real Estate Brokers*

On October 20, 2015 the Debtor presented motion to employ real estate professionals to aid in consummating the plan and deadline for sales set therein.

#### *Objection to Claim(s) 3 of BMO Harris*

On October 12, 2015, the Debtor filed a Notice of Hearing and Objection to Claim(s) 3 of BMO Harris Filed by O Allan Fridman on behalf of Willy Batuner the hearing scheduled for November 3, 2015. The Objection challenges BMO claim that their entire debt is secured and the amounts claimed. The Claim objection has been resolved and the BMO claim was acquired by a third party lender of the Debtor.

### **III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIM AND EQUITY INTERESTS**

#### **Summary of the Plan**

##### **A. Introduction**

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize and/or liquidate its business for the benefit of itself and its creditors and equity holders. The formulation of a plan is the principal objective of a Chapter 11 case. In general, a Chapter 11 plan (i) divides Claims and equity interests into separate classes, (ii) specifies the property that each class is to receive under such plan, and (iii) contains other provisions necessary to the reorganization and/or liquidation of the Debtor. Chapter 11 does not require each holder of a claim or equity interest to vote in favor of the plan in order for the Bankruptcy Court to confirm the plan. However, a plan must be accepted by the holders of at least one impaired class of Claims without considering the votes of "insiders" within the meaning of the Bankruptcy Code.

The summary of the Plan contained herein addresses only certain provisions of the Plan. As a summary, it is qualified in its entirety by reference to the Plan itself and any Plan Documents, which are referred to therein as being filed prior to Confirmation. Upon Confirmation and the Effective Date, the Plan and the Plan Documents referred to therein shall control and bind the Debtor, all of the Debtor's Creditors, and other parties in interest except as expressly set forth in the Plan. TO THE EXTENT THAT THE TERMS OF THIS DISCLOSURE STATEMENT VARY OR CONFLICT WITH THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL CONTROL.

The Plan Documents (i.e. all documents that aid in effectuating the Plan, including the Exhibits to the Plan), if any, shall be filed with the Bankruptcy Court with this Disclosure Statement; provided, however, that the Debtor may amend the Plan Documents through and including the Confirmation Date. Upon their filing with the Bankruptcy Court, the Plan Documents may be inspected in the Clerk's Office during normal business hours or may be obtained from the Debtor's counsel, O. Allan Fridman at (847) 412-0788.

#### **B. Unclassified Administrative**

Except as otherwise provided below, each Holder of an Allowed Administrative Expense Claim shall be paid (a) on the Effective Date, an amount in Cash equal to the Allowed Amount of its Administrative Expense Claim, in accordance with § 1129(a)(9)(A) of the Bankruptcy Code, (b) under such other terms as may be agreed upon by both the Holder of such Allowed Administrative Expense Claim and the Debtor, or (c) as otherwise ordered by order of the Bankruptcy Court. The Debtor estimates these claims will be approximately \$20,000.

All fees and charges assessed against the Estate under Chapter 123 of Title 28, United States Code, 28 U.S.C. §§ 1911-1930, through the Effective Date shall be paid to the United States Trustee by the Debtor by no later than the Effective Date. At the time of such payment, the Debtor shall provide to the United States Trustee an appropriate affidavit indicating the disbursements for the relevant periods. Following the Effective Date, any such fees required pursuant to 28 U.S.C. § 1930(a) (6) arising or accruing from Distributions made by the Debtor or made under the Plan shall also be paid by the Debtor. All such payments to the United States Trustee shall be in the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) based upon the applicable disbursements for the relevant post-confirmation periods and shall be made within the time period set forth in 28 U.S.C. § 1930(a)(6), until the earlier of (i) the closing of the Bankruptcy Case by the issuance of a Final Order by the Bankruptcy Court on the Final Decree Date, or (ii) the entry of an order by the Bankruptcy Court dismissing the Reorganization Case or converting the Reorganization Case to another chapter under the Bankruptcy Code. The Debtor shall provide to the United States Trustee at the time of each post-confirmation payment an appropriate affidavit indicating the disbursements for the relevant periods.

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Code. 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. Professional Fees of the Debtor until confirmation and a final award of fees and costs to the Debtor's attorneys, the final amount of the attorneys' fees cannot be determined. Administrative expenses will be paid by appropriate court order after notice and hearing.

### **C. Unclassified Priority Claims**

Priority tax claims are unsecured income, employment and other taxes described by 507(a)(8) of the Bankruptcy Code. The Allowed Tax Claims, if any, of the Internal Revenue Service shall be paid in full, from the Debtor's Cash Reserves the inclusive of allowed interest as provided by applicable federal or state statutes. The unclassified priority Tax claims will be paid in cash on the Effective Date, unless the holder thereof agrees to a different treatment put in amount. This treatment of Allowed Tax Claims is intended to comply with the requirements of Section 1129(a)(9)(C) of the Bankruptcy Code.

### **D. Classification and Treatment of Claims and Equity Interests**

Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall classify the Claims of a debtor's creditors and interests of a debtor's equity holders. The Plan divides the Claims and Equity Interests into five classes.

Section 101 (5) of the Bankruptcy Code defines "claim" as a "right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured," or a "right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, disputed, undisputed, secured or unsecured." The Debtor is required under § 1122 of the Bankruptcy Code to classify the Claims and Equity Interests into separate Classes which contain Claims and Equity Interests that are substantially similar to the other Claims and Equity Interests within such Class.

The Debtor believes that it has classified all Claims and Equity Interests in compliance with the provisions of § 1122 of the Bankruptcy Code. However, it is possible that a Holder of a Claim or another interested party may challenge the classification of Claims and Equity Interests contained in the Plan and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, it is the Debtor's present intent, to the extent permitted by the Bankruptcy Court, to make such reasonable modifications of the classifications under the Plan to provide for whatever classification might be required by the Bankruptcy Court for Confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan. A reclassification of Claims after approval of the Disclosure Statement might necessitate a re-solicitation of acceptances or rejections of the Plan.

Set forth below is also a summary of each Class of Claims and Equity Interests and the expected Distributions under the Plan to Holders of Allowed Claims against the Debtor. Any estimates of Claims set forth in this Disclosure Statement are approximate and are based on amounts scheduled by the Debtor. Except as otherwise specifically provided in the Plan, the treatment of, and the consideration to be received by, Holders of Allowed Claims and Holders of Allowed Equity Interests pursuant to the Plan shall be in full and final satisfaction, settlement, release, extinguishment and discharge of their respective Allowed Claims (of any nature whatsoever) and Allowed Equity Interests.

<b>Creditor –</b>	<b>Amount(Approx)</b>	<b>Proposed Treatment Under Plan</b>
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Equity Interest		
Class 1 Secured Claim Secured Claim of Wells Fargo	\$78,965.54	Impaired—Loan to be reinstated on the effective date and paid according to contract terms. Pre-petition arrearage claims paid in full in quarterly payments.
Class 2- Leonard Zlatnikov as an assignee of BMO.	\$280,000 approx.	Impaired to be paid over 2 years with a balloon payment
Class 3 Unsecured Creditors	\$563,823.70	Impaired— Paid the greater of the Debtor's Quarterly Plan Payments or 9% of allowed claims over 5 years of.
Class 4- Equity Interest		Impaired-The Equity Security Holders will retain his Interests in the Reorganized Debtor after the Effective Date and will only receive a distribution if all prior classes are paid in full. Subject to New Value Contribution

### **Class 1: Secured Claim of Wells Fargo**

Class 1 is the Secured Claim of Wells Fargo Bank. Wells Fargo Bank has filed a proof of claim, in the amount of \$78,965.54 with approximately \$ 19,882.15 in arrearages as of the petition date. The Wells Fargo Loan was a 15-year mortgage and will be paid in full according to the terms of the note in 2020. The Debtor is paying the current monthly mortgage payment while this case is pending.

Wells Fargo will receive the following treatment under the Plan: Wells Fargo will retain its mortgages, liens, and encumbrances against the Property after the Effective Date to the same extent that it held such mortgages, liens and encumbrances on the Petition Date. Wells Fargo. The claims of Wells Fargo include pre-petition arrearages (hereafter "Pre-Petition Arrearages"). The Wells Fargo Mortgage and Notes shall be reinstated in accordance with section 1123(d) of the Bankruptcy Code. The Debtor will make the payments of in accordance with the loan documents, of \$1,225.63 per month and \$741.97 for tax and insurance escrows, in addition, the Debtor will pay the Allowed Arrearage amount in four quarterly payments beginning on the effective date. Said additional payments shall be applied to the pre-petition arrearages and payment accruing up to the effective date, at the contractual rate owed to the Claimants

The Allowed Secured Claim of Wells Fargo will not be discharged by the Plan

This Class is unimpaired under the plan and not entitled to Vote

### **Class 2: Secured Claim of Leonard Zlatnikov as Assignee of BMO**

Leonard Zlatnikov, as Assignee of BMO is the current holder of a Class 2 Claim that is secured by two separate maximum lien mortgages of \$100,000 and \$180,000. BMO had filed a proof of claim alleging secured claim of \$691,627.17 comprising the entire balance of the secured and unsecured portion of G&B's loan. Batuner has objected to BMO's claim. The Debtor and BMO have entered into agreed order resolving the claim objection wherein BMO's claim was allowed in the amount of \$280,000 secured plus prepetition interest and an unsecured deficiency claim of \$321,000 plus prepetition interest

The allowed amount of the Class 2 Claim shall be \$280,000 plus allowed costs or such other amount as may be agreed to by the Debtor and Class 2 claimant, provided the loan is paid within 24 months of the effective date the Class 2 holder will accept a reduced payoff of \$187,000 for Class 2. Should the claim not be paid within 25 months or the Debtor is not the successful bidder as described in Article 7, the Class 2 claims shall be the entire \$280,000 along with prepetition interest, attorneys fees and default interest for a total claim estimated to be in excess of \$380,000.

The Allowed Secured Claim of BMO shall be settled, compromised, and satisfied by execution on the Effective Date of, as described herein. Class 2 shall receive on account of its Allowed Class 2 Claim the following:

a) A stream of monthly payments to be paid at 1.0% per annum as follows: (1) 24 equal monthly payments, paying principal and interest calculated based on a 360 month amortization commencing on 30 days after the Effective Date and continuing on the fifteenth day of each consecutive month thereafter, or the first business day thereafter if such date falls on a weekend or holiday listed in Bankruptcy Rule 9006, for 24 months, specifically \$1,119.18 and (2) Beginning on the 25<sup>th</sup> month one balloon payment of all outstanding principal and interest payable of \$151,808.78 on the first day of the 25<sup>th</sup> month after the effective Date or the first business day thereafter if such date falls on a weekend or holiday listed in Bankruptcy Rule 9006;

The Allowed Class 2 Claim is Impaired and entitled to vote on the Plan.

### **Class 3 Unsecured Creditors**

Class 3 consists of all Unsecured Claims not otherwise classified in the Plan.

In full satisfaction thereof, Holders of Allowed Class 5 Claims shall receive, Claims, a pro rata share of the Debtor's Quarterly Plan Payments for a period of 5 years from the effective date or 9% of allowed claims whichever is greater.

This Class is Impaired under the plan and entitled to Vote

### **Class 4 Equity Interest:**

Class 4 will receive the following treatment under the Plan: The Equity Security Holders will retain his Interests in the Reorganized Debtor after the Effective Date upon payment of a new Value contribution of \$10,000 and contributing his exempt social security income for a period of 5 years.

## **E. Determination of Claims**

Unless otherwise ordered by the Bankruptcy Court, and except as to any late-filed Claims and Claims resulting from the rejection of executory contracts or unexpired leases, if any, all

objections to Claims shall be filed with the Bankruptcy Court by no later than thirty (30) days following the Effective Date (unless such period is extended by the Bankruptcy Court), and the Confirmation Order shall contain appropriate language to that effect. Holders of Unsecured Claims that have not filed such Claims on or before the Bar Date shall serve notice of any request to the Bankruptcy Court for allowance to file late Unsecured Claims on the Debtor's Counsel and such other parties as the Bankruptcy Court may direct. If the Bankruptcy Court grants the request to file a late Unsecured Claim, such Unsecured Claim shall be treated in all respects as a Class 6 General Unsecured Claim. Objections to late-filed Claims and Claims resulting from the rejection of executory contracts or unexpired leases shall be filed on the later of (a) sixty (60) days following the Effective Date or (b) the date thirty (30) days after the Debtor receives actual notice of the filing of such Claim.

#### **F. Assumption and Rejection of Executory Contracts and Leases**

Pursuant to §§ 365 and 1123(b)(2) of the Bankruptcy Code, all. The Debtor shall assume the any executory contracts under the plan as of the Effective Date.

Any Claim for damages arising by reason of the rejection of any executory contract or unexpired lease must be filed with the Bankruptcy Court and served upon the Debtor on the earlier of (1) thirty (30) days following the date of any order approving the rejection or (2) thirty (30) days following the Confirmation Date, or such Claim shall be forever barred and unenforceable against the Debtor's Estate. The Plan and any other order of the Bankruptcy Court providing for the rejection of an executory contract or unexpired lease shall constitute adequate and sufficient notice to Persons or Entities which may assert a Claim for damages from the rejection of an executory contract or unexpired lease of the Bar Date for filing a Claim in connection therewith. Such Claims, once fixed and liquidated by the Bankruptcy Court and determined to be Allowed Claims, shall be Class 6 Allowed Claims.

#### **G. Acceptance or Rejection of the Plan**

##### *Each Impaired Class Entitled to Vote Separately*

Except as otherwise provided in Article 6.4 or in any enforceable inter-creditor contract, subordination agreement or agreement, the Holders of Claims or Interests in each Impaired Class of Claims or Interests shall be entitled to vote separately to accept or reject the Plan.

##### *Acceptance by Impaired Classes*

Pursuant to Section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims will have accepted the Plan if (a) the Holders (other than any Holder designated pursuant to Section 1126( e) of the Bankruptcy Code) of at least two-thirds (2/3) in dollar amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated pursuant to Section 1126(e) of the Bankruptcy Code) of more than one-half(2) in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

##### *Best Interests Standard*

The Bankruptcy Code requires that the Plan-meet the "best interest" test, which requires that members of a Class must receive or retain under the Plan, property having value not less than the

amount which the Class members would have received or retained if the Debtor was liquidated under Chapter 7 on the same date. The Debtor believes that Distributions to all Impaired Classes of Claims in accordance with the terms of the Plan would exceed the net Distribution that would otherwise take place in Chapter 7. Attached is the Liquidation Analysis (Exhibit 4) that shows that creditors will receive under the Plan more than they would receive if the Debtor were liquidated under Chapter 7.

*Confirmation without Acceptance by all Impaired Classes*

If one or more of the Impaired Classes of Claims does not accept Plan, it may nevertheless be confirmed and be binding upon the non-accepting Impaired Class through the "cram-down" provisions of the Bankruptcy Code, if the Plan does not "discriminate unfairly" and is "fair and equitable" to the non-accepting Impaired Classes.

*Discriminate Unfairly –*

The Bankruptcy Code requirement that a plan not "discriminate unfairly" means that a dissenting class must be treated equally with respect to other classes of equal rank. The Debtor's Plan does not "discriminate unfairly" with respect to any Class of Claims or Equity Interests because no class is afforded treatment which is disproportionate to the treatment afforded other Classes of equal rank, and the treatment under the Plan follows the Distribution scheme dictated by the Bankruptcy Code.

*Fair and Equitable Standard*

The "fair and equitable" standard, also known as the "absolute priority rule," requires that a dissenting class receive full compensation for its allowed Claims or interests before any junior class receives any Distribution. The Debtor believes the Plan is fair and equitable to all Classes pursuant to this standard. With respect to the Impaired Classes of Claims, Bankruptcy Code § 1129(b)(2)(B) provides that a plan is "fair and equitable" if it provides that (i) each Holder of a Claim of such a class receives or retains on account of such claim, property of a value as of the effective date of the plan equal to the allowed amount of such claim; or (ii) the Holder of any Claim or interest that is junior to the Claims of such class will not receive or retain any property under the plan on account of such junior claim or interest.

The Debtor believes that the Plan satisfies the absolute priority rule or any exception thereto. Accordingly, if necessary, the Debtor believes the Plan meets the requirements for Confirmation by the Bankruptcy Court, notwithstanding the non-acceptance by an Impaired Class of Claimants.

*Non-Confirmation of the Plan*

If the Plan is not confirmed by the Bankruptcy Court, the Court may permit the filing of an amended plan, dismiss the case, or convert the case to Chapter 7. In a Chapter 7 case, the Debtor's Assets would be sold and distributed to the Unsecured Creditors after the payment of all Secured Claims, costs of administration and the payment of Priority Claims.

#### **IV. MEANS OF IMPLEMENTING THE PLAN**

## **1. The New Value Contribution**

The Debtor Willy Batuner will contribute his exempt social security income toward the funding of the plan as a new value contribution along with \$10,000 from his daughter Michelle Kaplan.

The New Value Contribution shall be made available on the Effective Date for distribution pursuant to the terms of the Plan. The New Value Contribution shall be used to fund the payments contemplated in the plan.

## **2 New Value Auction**

In the event there is a non-accepting class, then the New Value Contribution shall be subject to higher or better offers. In the event that an entity offers more than the New Value Contribution for the purchase of the equity in the Reorganized Debtor, the Debtor shall conduct an auction for the sale of the equity in the Reorganized Debtor between 15 and 30 days after the Confirmation order is entered. The highest and best offer at the auction shall constitute the New Value Contribution and the offeror shall constitute the new Interest holder(s) in the Reorganized Debtor.

As soon as practicable after the conclusion of the Auction, the Debtor, (a) shall review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummation of the transaction, (b) shall determine, in their business judgment, which Qualified Bid is the highest or otherwise best offer (the "Winning Bid"), and the bidder making the Winning Bid (the "Winning Bidder"), and (c) reject at any time before entry of the Confirmation Hearing, any bid that, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtor, its estate and creditors (the "Bid Analysis"). At the conclusion of the Bid Analysis, the Debtor shall ask the Bankruptcy Court to enter an order authorizing the Debtor to consummate the Sale of the Equity upon the terms of the Winning Bid, to the Winning Bidder, and to execute such additional documentation as is reasonably necessary to close such Sale upon the terms of the Winning Bid. Notwithstanding anything contained herein to the contrary, the sale of the Equity in the Reorganized Debtor to any Winning Bidder is contingent upon the entry of an order by the Bankruptcy Court confirming this Plan.

Notwithstanding anything to the contrary contained in this Plan, in the event that Batuner is not the Winning Bidder, then (i) Batuner shall not make the New Value Contribution to the Reorganized Debtor, (ii) the Equity Interests shall be cancelled and extinguished on the Effective Date.

Parties wishing to overbid the current offer of the New Value Contribution for the equity interests in the Reorganized Debtor must (i) provide a written offer to the Debtor on or before the Confirmation Hearing setting forth the offeror's name, contact information and amount of offer; (ii) prior to the Confirmation Hearing, submit a cashier's check in the amount of \$10,000.00 payable to the Debtor ("Deposit") and provide evidence of ability to pay any additional amounts offered; (iii) make an offer in excess of the New Value Contribution; and (iv) be present at the Confirmation Hearing. All offers and submissions of Deposits must be made on or before the Confirmation

Hearing and sent to Debtor's counsel: O. Allan Fridman, 555 Skokie Blvd Suite 500, Northbrook, IL 60062.

## ***2. Source of Payments***

The Debtor will pay the monthly payments due under the Plan through his ordinary income and exempt social security income. A copy of the Debtor's pro forma projections is attached hereto as Exhibit 3.

## ***3. Distributions under the Plan***

The effective date of this Plan is the eleventh business day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

The Initial Distribution Date" ("Initial Distribution Date") will be the 30 days following the Effective Date .put in payment amount On the Distribution date the Debtor will make payments as listed in exhibit 3 on a monthly basis. See Exhibit 3 for exact payments.

## ***4. Plan Disbursing Agent.***

The Debtor William James will serve as the Disbursing Agent for the Plan and the Debtor will administer the Plan and any payments called for herein. No separate compensation will be paid to the Disbursing Agent for performing the services called for under the Plan.

## **V. Other Pertinent Provisions**

Pursuant to § 1146(a) of the Bankruptcy Code, the issuance, distribution, transfer or exchange of any security or the making, delivery or recording of any instrument of transfer pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or the revesting, transfer or sale of any real or personal Property of, by or in the Debtor pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or any transaction arising out of, contemplated by or in any way related to the foregoing, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall be, and hereby are, directed to forego the collection of any such tax or governmental assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

## ***Unclaimed Distributions***

With respect to unclaimed distributions by either a Holder of an Allowed Administrative Claim or a Holder of an Allowed Priority Claim, if such Holder fails to negotiate a check issued to such Holder within ninety (90) days of the date such check was issued, then the Debtor may provide written notice to such Holder stating that unless such Holder negotiates such check within thirty (30) days of the date of such notice, the amount of cash attributable to such check will be deemed to be unclaimed, such Holder's Claim will no longer be deemed to be Allowed, and such Holder will be

deemed to have no further Claim in respect of such check and will not participate in any further distributions under the Plan.

If a distribution to such Holder is returned due to an incorrect or incomplete address for the Holder of such Allowed Claim, as to such distribution within one hundred twenty (120) days of the return of such distribution, then the amount of cash attributable to such distribution will be deemed to be unclaimed and such Holder will be deemed to have no further Claim in respect of such distribution and will not participate in any further distributions under the Plan.

Any unclaimed cash distribution as described above will be distributed to other Holders of Allowed Claims in the same Class as the unclaimed distributee, utilized to pay Allowed Claims of higher priority, or transferred to the Debtor for further distribution to the creditors pursuant to the Court's directive.

### *Transfers of Claims*

In the event that the Holder of any Claim will transfer such Claim on and after the Effective Date, it will immediately advise the Reorganized Debtor, the Debtor and the Trustee and their counsel in writing of such transfer. The Reorganized Debtor, the Debtor and the Trustee, as the case may be, will be entitled to assume that no transfer of any Claim has been made by any Holder unless such parties have received written notice to the contrary. Each transferee of any Claim will take such Claim subject to the provisions of the Plan and to any request made, waiver or consent given, or other action taken hereunder and, except as otherwise expressly provided in such notice, the Reorganized Debtor, the Debtor or the Trustee, as the case may be, will be entitled to assume conclusively that the transferee named in such notice will thereafter be vested with all rights and powers of the transferor under the Plan.

### *Discharge of Claims*

Except as otherwise expressly provided in the Plan or in the Confirmation Order, the Debtor will receive a discharge, pursuant to Section 1141 (d)5 of the Bankruptcy Code upon completion of the plan payments unless the court makes a finding pursuant to 1141(d)(5)(C) the Debtor may receive a discharge after confirmation and hearing, to the fullest extent permitted by applicable law, as of the Effective Date, of any and all Debts of, Claims of any nature whatsoever against, and interests in the Debtor that arose at any time prior to the Effective Date, including any and all Claims for principal and interest, whether accrued before, on, or after the Petition Date.

In accordance with the foregoing, except as specifically provided in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination of the discharge of all such Claims and other Debts and Liabilities against the Debtor, pursuant to Sections 524 and 1141 of the Bankruptcy Code, and such discharge will void any judgment obtained against the Debtor, at any time, to the extent that such judgment relates to a discharged Claim, Liability, or Debt.

### *Modification of Plan*

The Debtor may modify the Plan at any time prior to the entry of the Confirmation Order provided that the Plan as modified and the Disclosure Statement meet applicable requirements of the Bankruptcy Code and the Rules.

After the Confirmation Date and before the Effective Date of the Plan, the Debtor or the Reorganized Debtor (as the case may be) may modify the Plan in a way that materially or adversely affects the interests, rights, treatment, or distributions of a Class of Claims, provided that (a) the Plan, as modified, meets applicable Bankruptcy Code requirements; (b) the Debtor or the obtains Bankruptcy Court approval for such modification, after notice and a hearing; (c) such modification is accepted by at least two-thirds in amount, and more than one-half in number, of Allowed Claims or Allowed Equity Interests voting in each Class adversely affected by such modification; and (d) the Debtor comply with Section 1125 of the Bankruptcy Code with respect to the Plan, as modified.

In the event any Class of Claims votes against the Plan, and the Plan is not revoked or withdrawn, the Debtor hereby requests, and will be allowed, to modify the terms of the Plan to effect a "cram down" on the dissenting Class or Classes by (a) restructuring the treatment of any Class on terms consistent with Section 1129(b)(2)(B) of the Bankruptcy Code, or (b) deleting distributions to all Classes at or below the level of the objecting Class, or reallocating such distributions, until such impaired senior Classes are paid in accordance with the absolute priority rule of Section 1129(b) of the Bankruptcy Code. The Debtor may make such modifications or amendments to the Plan and such modifications or amendments will be filed with the Bankruptcy Court and served on all parties in interest entitled to receive notice of the Confirmation Hearing. No such modifications will require any re-solicitation of acceptances as to the Plan by any Class of Claims unless the Bankruptcy Court will require otherwise.

Notwithstanding any provision of the Plan to the contrary, the Debtor reserves any and all rights they may have to challenge the validity, perfection, priority, scope, and extent of any Liens in respect to any Secured Claims and the amount of any Secured Claims, the Holders of which have not accepted the Plan. 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 Chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit 5.

### ***Revocation or Withdrawal of the Plan***

The Debtor reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan is revoked or withdrawn, or if Confirmation of the Plan does not occur, then the Plan will be deemed null and void in all respects and nothing contained in the Plan will be deemed to (a) constitute a waiver or release of any Claims by or against, or Equity Interests in, the Debtor or any other person or other entity, or (b) prejudice in any manner the rights of the Debtor or any other Person or other Entity in any further proceedings involving the Debtor.

### ***Risk Factors***

Certain substantial risk factors are inherent in most commitments made pursuant to a plan of reorganization in a Chapter 11 case. If such plans are accepted, it is usually because they represent a greater hope for returns and dividends than in a liquidating Chapter 7 case. The Debtor's business is tied to the housing market as such it is dependent on the changes in the market. All of the risk factors inherent in commitments made pursuant to a Plan of Reorganization in Chapter 11 cases are present in this case. The Debtor has been a real estate broker for the past 7 years. With the Plan of reorganization the Debtor proposes a viable repayment of his debts.

## VI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed, the potential alternatives include (a) alternative Plans of under Chapter 11, (b) dismissal of the case, or (c) conversion of this case to a case under Chapter 7 of the Bankruptcy Code.

### *Alternative Plans*

If the Plan is not confirmed, the Secured Creditors may seek to propose an alternative plan which will not provide as much distribution to Creditors as in the Debtor's Plan.

### *Liquidation under Chapter 7*

If the Plan is not confirmed, the Case would likely be converted to a Chapter 7 liquidation case. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the assets of the Debtor. The proceeds of the liquidation would be distributed to the Creditors and Holders of Interests of the Debtor in accordance with the priorities established by the Bankruptcy Code.

The Debtor believe that liquidation under Chapter 7 would result in diminution in the value, and likely an extinguishment of any value, of the interests of the Creditors and Holders of Interests because of (a) additional administrative expenses involved in the appointment of a trustee and attorneys, accountants and other professionals to assist such trustee; (b) failure to realize the maximum value of the Debtor's assets; and (c) the substantial delay which would elapse before Creditors would receive any distribution in respect of their Claims.

## VII. CONCLUSION

Under Chapter 7 liquidation, unsecured creditors would receive 0% of their claims. Under the Plan, the unsecured creditors will receive a total distribution of 100% of their allowed claims. Therefore, the Debtor believes that the distributions provided for in the Plan are fair and equitable and Debtor strongly recommends acceptance of the Plan.

If you are eligible to vote on the Plan, please do so now by completing and returning the enclosed ballot. The sooner the Plan is confirmed, the sooner creditors will be paid.

Respectfully submitted,

Willy Batuner

By: \_\_\_\_\_

By: /s/ O. Allan Fridman  
Attorney for the Plan Proponent

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