UNITED STATES BANKRUPTCY COURT 74-3159626
EASTERN DISTRICT OF NEW YORK
AT BROOKLYN
--X
In re

Chapter 11

BOWNETREE, LLC.,

Case No. 08-45854 DEM

Debtor.
--X

FOURTH AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE FOR THE PLAN OF REORGANIZATION OF THE DEBTOR

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 DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.

Dated: New York, New York
March 4, 2009

....

I.

INTRODUCTION AND SUMMARY

A. Overview

Bownetree LLC., ("Bownetree" or the "Debtor") transmits this Fourth Amended Disclosure Statement ("Disclosure Statement") pursuant to Section 1125(b) of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") and Rule 3017 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), in connection with its Plan of Reorganization dated February 25, 2009, in order to provide adequate information to enable holders of Claims and Equity Interests that may be impaired under the Plan to make an informed judgment in exercising their right to vote for acceptance or rejection of the Plan. All capitalized terms used but not defined in this Disclosure Statement shall have the respective meanings ascribed to them in the Plan unless otherwise noted.

THE DEBTOR STRONGLY URGES ACCEPTANCE OF THE PLAN AND IN ITS OPINION, THE PLAN WILL PRESENT THE BEST POSSIBLE BENEFIT TO HOLDERS OF CLAIMS AND EQUITY INTERESTS WHEN COMPARED TO ALL POSSIBLE ALTERNATIVES.

B. Summary of Classification and Treatment Under the Plan

In general, and as more fully described herein, the Plan effectuates a reorganization of the Debtor and provides a mechanism for the satisfaction or partial satisfaction of the Debtor's pre-petition indebtedness. Set forth in the following section is a summary of the classification and

treatment of Claims and Equity Interests under the Plan.

The Plan will divide Claims and Equity Interests into four classes, will set forth the treatment afforded to each class, and provide the means by which the Debtor will be reorganized under Chapter 11 of the Bankruptcy Code. The following table sets forth a summary of the treatment of each type of Claim and Equity Interest under the Plan (a more detailed description of the Plan is set forth later in this Disclosure Statement in Section IV entitled "Overview of The Plan"):

Class	Type of Claim/Interest	Treatment
Not Applicable	Allowed Administrative Expense Claims	To be paid in full, in Cash, in such amounts as (1) are incurred in the ordinary course of business by the Debtor, (2) are allowed by the Bankruptcy Court upon the later of the Effective Date, the date of a Final Order allowing such Administrative Expense Claims, or any other date specified in such order, or (3) may be agreed upon between the holders of such Administrative Claims and the Debtor.
Not Applicable	Allowed Priority Tax Claims	To be paid in full plus the applicable Federal, NYS or other statutory rate of interest in monthly payments as permitted by Section 1129 (a)(9) of the Bankruptcy Code. These liabilities will be satisfied in full in the maximum amount of the time permitted by the Bankruptcy Code. The Debtor intends on satisfying these Claims in a shorter period of time if it becomes financially feasible in the future. All payments will be applied to the Trust Fund Taxes of the officers and owners.
1.	Kennedy Funding, Inc. ("Kennedy") Secured, 1st Mortgage Claim	Unimpaired. To be paid in full from the proceeds of the sale of all of the Debtor's real estate properties in full and final satisfaction of its claim to be payable at the closing of the sale of the real property, unless the real

		property is sold to 36-20 Bowne LLC, in which case the sale is contingent upon (1) the terms if the agreement between Kennedy and Bowne regarding the terms if the assumption, by Bowne, of Kennedy's first mortgage lien on the Real Property, or (2) entry of an order approving the sale of the Real Property to Bowne, subject to Kennedy's first mortgage lien, over the objection of Kennedy. The current payoff amount is $3,739,150.00, plus approximately $40,00.00 legal fees. Since the claimant is over-secured, it is entitled to post-petition interest as well as legal costs and closing fees incurred up to closing and these will be paid in full. Pursuant to the Loan and Security Agreement signed by the Debtor and Kennedy on June 27, 2008, the Debtor had prepaid $498,000.00 towards the future interest payments. Therefore, as of February 12, 2009, there are no outstanding interest payments due to Kennedy. The prepaid interest payments cover the period of time up to June 26, 2009. Kennedy's mortgage is currently in default and there is an issue as to whether the pre-paid interest amount paid by the Debtor covers interest payments at the applicable default rate.
2.	36-20 Bowne, LLC. ("36-20") Secured, 2nd Mortgage Claim	Impaired. To purchase all of the Debtor's Real estate: the total purchase price payable to Seller for the Property (the "Purchase Price") shall be equal to (a) the outstanding principal balance, accrued interest, protective advances, and all applicable costs and expenses charged by the holder of 36-20 Mortgage calculated through and including the Closing Date, (b) the assumption of the outstanding principal balance, accrued interest, protective advances, and all applicable costs and expenses charged by the holder of the first priority lien holder, Kennedy, calculated through and including the Closing Date, (c) at least fifteen (15%) of

all costs and expenses listed as obligations owed by Seller to unsecured creditors, and (d) all legal fees and related administrative costs and expenses of the Seller with respect to the Bankruptcy filing, provided however that the aggregate amount of subsections (c) and (d) and (e) do not exceed $300,000.00. If 36-20 is outbid at the auction sale, then it will be paid at the closing of the real estate in full on its claim including post-petition interest and attorneys fees. This amount is estimated to be $5,662,315.18.[1]

3.	General Unsecured Claims	Impaired. To be paid at least 15% of their respective claims, from the proceeds of the sale of the Debtor's properties. The exact percentage is estimated to be between 10 to 20% and will be based on the balance of the $300,000.00 amount the 36-20 has agreed to pay, less debtor's administrative expenses.
4.	Equity Interests	Impaired. The company will liquidate after confirmation and equity will be worthless. Suzuki Capital Funding through its members and president, Sam Suzuki, holds 93% of the equity interest.

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN, THE PLAN DOCUMENTS, AND CERTAIN FINANCIAL INFORMATION. WHILE THE DEBTOR BELIEVES THAT THESE SUMMARIES ARE

[1] The Debtor estimates that to the closing date, the interest will be at least $100,000.00 more.

FAIR AND ACCURATE AND PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS. FURTHERMORE, ALTHOUGH THE DEBTOR HAS MADE EVERY EFFORT TO BE ACCURATE, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN THE SUBJECT OF AN AUDIT BY AN OUTSIDE ACCOUNTING FIRM. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY, OR DISCREPANCY BETWEEN THE TERMS AND PROVISIONS IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS IN THE PLAN, THE PLAN DOCUMENTS, OR THE FINANCIAL INFORMATION INCORPORATED THEREIN BY REFERENCE, THE PLAN SHALL GOVERN FOR ALL PURPOSES. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT, THE PLAN, THE EXHIBITS TO THIS DISCLOSURE STATEMENT, AND THE PLAN DOCUMENTS IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED HEREIN HAVE BEEN MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH HEREIN UNLESS SO SPECIFIED. WHILE THE DEBTOR HAS MADE EVERY EFFORT TO DISCLOSE WHERE CHANGES IN PRESENT CIRCUMSTANCES COULD REASONABLELY BE EXPECTED TO AFFECT MATERIALLY THE VOTE ON THE

PLAN, THIS DISCLOSURE STATEMENT IS QUALIFIED TO THE EXTENT THAT CERTAIN EVENTS, SUCH AS THOSE MATTERS DISCUSSED IN SECTION VI "RISK FACTORS," DO OCCUR.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAW OF OTHER NONBANKRUPTCY LAW. PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT AND THE INFORMATION CONTAINED HEREIN SHALL NOT BE CONSTRUED AS AN ADMISSION OR STIPULATION, BUT RATHER AS STATEMENTS MADE IN SETTLEMENT NEGOTIATIONS.

C. Voting and Confirmation Procedures

Accompanying this Disclosure Statement are copies of the following documents:(i) Proposed Chapter 11 Plan; (ii) Proposed Order confirming Debtor's Disclosure Statement, attached hereto as Exhibit "A"; (iii) notice of (a) hearing to consider confirmation of the Plan, and (b) the time within which (1) ballots reflecting acceptances or rejections of the Plan must be received; and (2) objections to confirmation of the Plan must be served and filed with the court attached hereto as *Exhibit "B"*; (iv) a Ballot for submitting acceptances or rejections to the Plan, which is attached

hereto as *Exhibit "C"*; (v) a liquidation analysis prepared by the Debtor, which is attached hereto as *Exhibit "D"*; (vi) client fee listing, attached as *Exhibit "E"*. The Disclosure Statement will be transmitted to all holders of claims and interests for purposes of making a decision as to whether or not to accept or reject the plan.

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing. Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to Confirmation of the Plan.

Pursuant to 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled the Confirmation Hearing before the Honorable Dennis E. Milton, United States Bankruptcy Judge, at the United States Bankruptcy Court, 271 Cadman Plaza East, Room 3577, Brooklyn, New York 11201-1800 for _______ at ____ a.m./p.m. A notice setting forth the time and date of the Confirmation Hearing has been included along with this Disclosure Statement. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of such adjourned hearing date by the Bankruptcy Court in open court at such hearing.

Any objection to the Confirmation of the Plan must be in writing, must comply with the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, and must be filed and served as required by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order. A copy of the Disclosure Statement Approval Order accompanies this Disclosure Statement and contains all relevant procedures relating to the submission of objections to Confirmation of the Plan. Parties submitting objections should review such order in its entirety.

II.

BACKGROUND AND EVENTS PRECIPITATING THIS CHAPTER 11 FILING

A. Overview of the Debtor and its Business Operations

The debtor is a limited liability company engaged in the business of real estate development, sales and construction. The Debtor's principle place of business is 15 West 39th Street, New York, NY 10018. The business was incorporated in 12/07/1998 as a real estate development company to build multi-family dwellings. The acquisition in January 8, 1999 was to buy land in Flushing to build five townhouses and a 106, 000 square foot residential condominium. The land that was purchased needed approvals of plans and construction drawings from the NYC building department. This process lasted two years before the Debtor could start physical construction. In June of 2007, a commitment for construction financing was issued from Lehman Brothers to finance the development project. The loan was set to close in September 2007. During this time Lehman had began to have financial problems from the sub-prime collapse. Lehman could not go forward with the Debtor's project and the Debtor was forced to find another lender. Unfortunately, the Debtor could not find another lender for this project and was forced to sell its apartment buildings to pay down its bridge loans. Since the housing market for condominiums is stagnant and buyers are having difficulties obtaining home loans, the Debtor feels that it can no longer afford to hold on to its assets. In order to satisfy debt obligations and expenses, previously, Bownetree LLC, proposed to sell vacant land 142-32, 142-36, 142-40 and 142-42, 37th Avenue, Flushing, NY area via a 363 sale filed on 10/3/08 for $9,000,000.00 (9 million dollars).

On 11/3/08, the court entered an order approving the sale and scheduled a hearing on

12/11/08 at 2:00pm to conduct the sale. However, subsequently, the stock market crashed and the mortgage market was severely impacted and the buyer exercised its right before the expiration of a due diligence period to terminate the deal. On 12/9/08, the Debtor filed a letter stating the same.

As to the townhouses, except for one, the others are under construction. The total square footage of residential rental units is 5,500.00. Currently townhouse two is 100% complete and will require 30 days to gain Temporary Certificate of Occupancy. Townhouse three is 90% complete and will require 60 days to complete. Townhouses 1, 4 and 5 are 75% complete and will require 90 days to complete. After the property is completed the valuation for the townhouses should be $10,000.000.00. However, Debtor does not have the funds to complete said townhouses and cannot access the capital markets for the funds at this time.

At present time the Debtor owns properties located at:

a) 5013-66, 143-19 A, 38th Avenue, Flushing, NY (townhouse)

b) 5013-65, 143-19 B, 38th Avenue, Flushing, NY (townhouse)

c) 5013-64, 143-19 C, 38th Avenue, Flushing, NY (townhouse)

d) 5013-63, 143-21 A, 38th Avenue, Flushing, NY (townhouse)

e) 5013-62, 143-21B, 38th Avenue, Flushing, NY (townhouse)

f) 5011-19, 142-32, 37th Avenue, Flushing, NY (Land)

g) 5011-20, 142-36, 37th Avenue, Flushing, NY (Land)

h) 5011-21, 142-40, 37th Avenue, Flushing, NY (Land)

i) 5011-23, 142-42, 37th Avenue, Flushing, NY (Land)

B. Pre-Petition Debt Structure of the Debtor

The pre-petition claims against Bownetree LLC can be summarized as follows[2]:

"AS ASSERTED"

	Claim Type		
Creditor or Claim Type	**Secured**	**Priority**	**Unsecured**
Class 1- Kennedy Funding, Ltd.	$3,739,150.00		
Class 1- Post-petition legal fees	$40,000.00		
Class 2- 36-20 Bowne, LLC	$5,084,770.95[3]		
Class 2- Post-petition legal	$45,000.00		
Class 3 - General unsecured claim			**$1,195,524.72**
Class 4- Equity Interests			
TOTALS	**$9,441,465.18**		**$1,195,524.72**

"AS TREATED"

	Claim Type		
Creditor or Claim Type	**Secured**	**Priority**	**Unsecured**
Class 1- Kennedy Funding, Ltd.	$3,739,150.00		
Class 1- Post petition legal	$40,000.00		

[2] This chart does not necessarily reflect the claims as filed, but reflects any existing creditors as of the date of filing of the Chapter 11 Petition. The Debtor does not contemplate any claim litigation. However, Debtor still reserves the right to object to any and all claims against it in the event that the Plan is not confirmed by the Bankruptcy Court, or any creditor or alleged creditor files additional proofs of claim, or amends already filed claims.

[3] In addition, interest is accruing at $3,319.93 per diem. As of February 13, 2009 interest was $534,508.73. The Debtor estimates that to the closing date the interest will be at least $100,000.00 more.

Class 2- 36-20 Bowne, LLC	$5,617,315.18[4]		
Class 2- Post-petition legal	$45,000.00		
Class 3 - General unsecured claim			**$179,328.70**
Class 4- Equity Interests			
TOTALS	**$9,441,465.18**		**$179,328.70**

C. Pre-Petition Capital Structure

The debtor has three members pursuant to the Operating Agreement of the Bownetree LLC. The largest member of the company is Suzuki Capital Funding, Ltd., located at 15 West 39th Street, 8th Floor, New York, 10018 which has an interest of 91.383% in the company, Eric Nelson, located at 15 West 39th Street, 8th Floor, New York, 10018 has a 2.462% interest in the company and Perry Lee, located at 15 West 39th Street, 8th Floor, New York, 10018 has a 6.155 % interest in the company.

D. Events Precipitating Chapter 11 Filing

At the end of August, Kennedy Funding, 1st mortgage creditor on the Debtor's properties refused to make any payments to construction workers, as well as to cover any of the Debtor's expenses and 36-20 Bowne, LLC., started a foreclosure proceeding against one of the Debtor's properties. These were the main reasons for the Debtor's Chapter 11 filing.

III.

POST-PETITION EVENTS

[4] This payoff only applies if 36-20 Bowne LLC is outbid at the auction sale.

A. Commencement Of Chapter 11 Case

On September 4, 2008 (the "Petition Date"), the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The case was assigned to the Honorable Dennis E. Milton, United States Bankruptcy Judge for the Eastern District of New York.

The Debtor continues to operate its business as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. The Office of the United States Trustee assigned Jacqueline Frome, Esq. as the attorney in charge of the Debtor's case. As of the date hereof, no official committee of unsecured creditors has been appointed in the Debtor's case. The following sections present a brief description of some of the events which have occurred since the Petition Date.

B. Professional Retentions

On September 17, 2008, the Bankruptcy Court have entered an order authorizing the Debtor to retain the Law Offices of Stephen B. Kass, P.C. as general bankruptcy and reorganization counsel. On October 2, 2008 the Debtor filed an Application to retain a Real Estate Broker, in the Debtor's Chapter 11 case, to facilitate the Debtor in locating the Buyer ready, willing and able to purchase Debtor's property.

The Debtor will be filing an application to retain an additional real estate broker to facilitate the sale of its assets to higher and better bidders, and to withdraw the retention of the prior broker.

C. Operations Post-Petition

Since the Debtor has filed for Chapter 11 bankruptcy only very recently and since all the operations of the Debtor were stalled due to the freeze of any financing from the Banks, it is imperative for the Debtor to go through with the sale of all of its assets to be able to pay off its secured creditors in full and allow a distribution of at least 15% to its unsecured creditors. Although

the Debtor had prepaid interest to Kennedy Funding Inc., in the amount of $498,000.00, the interest on the second mortgage that belongs to 36-20 Bowne LLC is accruing daily. The sale of the assets is the only way for the Debtor to pays its creditors.

Operating reports have been filed to date showing a total net loss of $5,862.00.

D. 1st proposed 363 sale

On 11/3/08, the court entered an order approving the sale and scheduled a hearing on 12/11/08 to conduct the sale. However, subsequently, the stock market crashed and the mortgage market was severely impacted and the buyer exercised its right to terminate the contract before the expiration of a due diligence period. On 12/9/08, the Debtor filed a letter stating the same.

E. 2nd proposed 363 sale

On January 26, 2009 the Debtor filed an order to show cause for an approval of sale procedures after 36-20 Bowne LLC (2nd Mortgage Holder) had agreed to purchase all of the Debtor's real estate properties for the amount of secured claims plus payment of tax liens if any, distribution of 10% to unsecured creditors and payments of Debtor's attorneys fees. After the Motion for an Order to show cause was filed, the secured creditors entered into very active negotiations which resulted in adjournments and a subsequent withdrawal of the Motion for an Order to show cause.

F. 3rd proposed 363 Sale

On February 13, 2009, the Debtor filed a Motion for an Order to allow the Debtor to sell all of its assets to the second mortgage holder, subject to higher and better bidders. The motion was filed with notice to all the creditors.

IV.

OVERVIEW OF THE PLAN

A. General

The following is a summary intended as a brief overview of the Plan and is qualified in its entirety by reference to the full text of the Plan, which will be filed after the Disclosure Statement is approved. Holders of Claims and Equity Interests are respectfully referred to the relevant provisions of the Bankruptcy Code and are encouraged to review the Plan and this Disclosure Statement with their counsel.

In general, a Chapter 11 Plan of reorganization must (i) divide Claims and equity interests into separate categories and classes, (ii) specify the treatment that each category and class is to receive under such plan, and (iii) contain other provisions necessary to implement the reorganization of a debtor. A Chapter 11 plan may specify that the legal, equitable, and contractual rights of the holders of Claims or equity interests in certain classes are to remain unchanged by the reorganization effectuated by the plan. Such classes are referred to as "unimpaired" and, because of such favorable treatment, are deemed to vote to accept the plan. Accordingly, it is not necessary to solicit votes from holders of Claims in such "unimpaired" classes. Pursuant to Section 1124(l) of the Bankruptcy Code, a class of claims or interests is "impaired," and entitled to vote on a plan, unless the plan "leaves unaltered the legal, equitable, and contractual rights to which such claim or

interest entitles the holder of such claim or interest."

The Plan classifies , Class 2, Class 3 and Class 4 as impaired, and, thus, entitled to vote to accept or reject the Plan. The Debtor believes Class 1 would definitely recover the proceeds if the assets of the Debtor were liquidated under Chapter 7 of the Bankruptcy Code, therefore Class 1 creditor is unimpaired under the PlanSee Exhibit "D" for the Debtor's Liquidation Analysis). Class 2 might only receive a partial distribution depending on the date of the sale and interest accrued. According to the Liquidation analysis, classes 3 and 4 would receive zero distribution. The Plan will enable the Debtor to sell its real estate and satisfy all secured claimants in full and distribute at least 15% to unsecured creditors and terminate operations thereafter.

B. Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan of reorganization shall classify the claims and equity interests of a debtor's creditors and equity interest holders. In compliance with Section 1122, the Plan divides the holders of Claims and Equity Interests into four (4) classes, and sets forth the treatment offered to each Class.[5] These Classes take into account the

[5] A debtor is required under Section 1122 of the Bankruptcy Code to classify the claims and interests of its creditors and interest holders into classes containing claims and interests that are substantially similar to the other claims or interests in such class. While the Debtor believes that their classification of all Claims and Equity Interests is in compliance with the provisions of Section 1122 of the Bankruptcy Code, it is possible that a holder of a Claim or Equity Interest may challenge the Debtor's classification scheme and the Bankruptcy court may find that a different classification is required for the Plan to be confirmed. In such event, it is the present intent of the Debtor, to the extent permitted by the Bankruptcy Court, to modify the Plan to provide for whatever reasonable classification might be required by the Bankruptcy Court for Confirmation, and to use the acceptances received by the Debtor from any holder of a Claim or Equity Interest pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such holder of a Claim or Equity Interest is ultimately deemed to be a member.

differing nature and priority of Claims against the Debtor. 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, unmatured, disputed, undisputed, secured or unsecured." A "Claim" against the Debtor also includes a Claim against property of the Debtor, as provided in Section 102(2) of the Bankruptcy Code. An interest is an equity interest in a debtor.

For the holder of a Claim to participate in a reorganization plan and receive the treatment offered to the class in which it is classified, its Claim must be allowed. Under the Plan, an Allowed Claim is defined as: (a) a Claim that has been listed by the Debtors in their Schedules and (i) is not listed as disputed, contingent or unliquidated, and (ii) is not a Claim as to which a proof of claim has been filed; (b) a Claim as to which a timely proof of Claim has been filed as of the Bar Date and either (i) no objection thereto, or application to estimate, equitably subordinate or otherwise limit recovery, has been made on or before any applicable deadline, or (ii) if an objection thereto, or application to estimate, equitably subordinate or otherwise limit recovery, has been interposed, the extent to which such Claim (whether in whole or in part) has been allowed by a Final Order; (c) a Claim arising from the recovery of property under Section 550 or 553 of the Bankruptcy Code and allowed in accordance with Section 502(h) of the Bankruptcy Code; or (d) any Claim allowed under the Plan.

C. Treatment of Claims and Equity Interests Under the Plan

The Plan segregates the various Claims against, and Equity Interests in the Debtor

into Administrative Expense Claims, Class 1-Secured claim by Kennedy Funding Ltd., Class 2 - Secured claim by 36-20 Bowne LLC, Class 3 - General unsecured claims and Class 4-Equity Interests. Classes 1, 2, 3 and 4 are impaired under the Plan.

Set forth below is a summary of the Plan's treatment of the various categories and Classes of Claims and Equity Interests. This summary is qualified in its entirety by the full text of the Plan. In the event of an inconsistency between the Plan and the description contained herein, the terms of the Plan shall govern. The Plan is complicated and substantial. Time should be allowed for its analysis; consultation with a legal and/or financial advisor is recommended and should be considered.

1. Unclassified Categories of Claims - Administrative Expense Claims and Obligations

a. Category 1 - Administrative Expenses Claims

Administrative Expense Claims include the actual and necessary costs and expenses incurred during the Chapter 11 case. Under the Plan, all Administrative Expense Claims shall be paid in full, in Cash, in such amounts as (a) are incurred in the ordinary course of business by the Debtor, (b) are allowed by the Bankruptcy Court upon the later of the Effective Date, the date upon which there is a Final Order allowing such administrative expense claim or any other date specified in such order, or (c) may be agreed upon between the holder of such Administrative Expense Claim and the Debtor.

Administrative expense claims shall include costs incurred in the operation of the Debtor's businesses after the Petition Date, the fees and expenses of professionals retained by the Debtor, and any statutory committee appointed to serve in the Chapter 11 case. If the Debtor and any such person cannot agree on the amount of fees and expenses to be paid to such person, such

amount shall be determined by the Bankruptcy Court.

All entities seeking an award by the Bankruptcy Court of professional fees, or of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under Sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code, (a) shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date within thirty (30) days after the Confirmation Date, and (b) if granted such an award by the Bankruptcy Court, shall be paid in full in such amounts as are allowed by the Bankruptcy Court (i) on the later of the Effective Date or the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable, (ii) upon such other terms as may be mutually agreed upon between such holder of an Allowed Administrative Expenses Claim and the Debtor-in-Possession or, on and after the Effective Date, the Reorganized Debtor, or (iii) in accordance with the terms of any applicable administrative procedures order entered by the Bankruptcy Court. All Professional Fees for services rendered in connection with the Chapter 11 Cases and the Plan after the Confirmation Date, including, without limitation, those relating to the occurrence of the Effective Date, the prosecution of Causes of Action preserved hereunder and the resolution of Disputed Claims, shall be paid by the Reorganized Debtor upon receipt of an invoice therefor, or on such other terms as the Reorganized Debtor may agree to, without the need for further Bankruptcy Court authorization or entry of a Final Order. If the Reorganized Debtor and any Professional cannot agree on the amount of post-Confirmation Date fees and expenses to be paid to such Professional, such amount shall be determined by the Bankruptcy Court.

As of February 13, 2009 Debtor's total attorneys fees are $49,645.00, please see

attached "Fees Listing", Exhibit "E". The Debtor has prepaid $15,000.00, leaving the balance of $34,645.00 as of February 13, 2009. The numbers herein are not the final fees incurred by the attorneys for the Debtor. Although the case is moving towards confirmation faster than the usual Chapter 11 case there is still a number of tasks to be performed by the attorneys for the Debtor and the final fee application will be filed with the court upon the case confirmation. These fees will be paid on the closing of the real estate and funded by the 2nd mortgage holder (Class 2 Claimant).

b. Category 2 - United States Trustee's Fees

Under the Plan, all United States Trustee statutory fees arising under 28 U.S.C. § 930 shall be paid in full, in Cash, in such amounts as they are incurred in the ordinary course of business by the Debtor. The Debtor shall be responsible for the payment of United States Trustee quarterly fees through the entry of a final decree closing the case.

c. Category 3 -Priority Claims

To be paid in full plus the applicable Federal, NYS or other statutory rate of interest in monthly payments as permitted by Section 1129 (a)(9) of the Bankruptcy Code. **All payments will be applied to Trust Fund taxes of the officers and owners.** These liabilities will be satisfied in full in the maximum amount of the time permitted by the Bankruptcy Code. The Debtor intends on satisfying these Claims in a shorter period of time if it becomes financially feasible in the future

2. Unimpaired Classes of claims.

Class 1 – Kennedy Funding, Ltd. Secured Claim

The Debtor shall pay this claim in full from the proceeds of the sale of certain Debtor's real estate properties to be payable at the closing of the sale of the real property, unless the

real property is sold to Bowne LLC, in which case the sale is contingent upon (1) the terms if the agreement between Kennedy and Bowne regarding the terms if the assumption, by Bowne, of Kennedy's first mortgage lien on the Real Property, or (2) entry of an order approving the sale of the Real Property to Bowne, subject to Kennedy's first mortgage lien, over the objection of Kennedy. The current payoff amount is $3,739,150.00 plus approximately $40,000.00 legal costs. Since the claimant is over-secured, it is entitled to post-petition interest as well as legal costs, which will be paid as a result of the sale of all of the Debtor's assets. Pursuant to the Loan and Security Agreement signed by the Debtor and Kennedy on June 27, 2008, the Debtor had prepaid $498,000.00 towards the future interest payments. Therefore, as of February 12, 2009, there are no outstanding interest payments due to Kennedy. The prepaid interest payments cover the period of time up to June 26, 2009. Kennedy's mortgage is currently in default and there is an issue as to whether the pre-paid interest amount paid by the Debtor covers interest payments at the applicable default rate.

3. Impaired Classes of Claims

Pursuant to Section 1124 of the Bankruptcy Code, a class of Claims or equity interests is impaired unless the legal, equitable, and contractual rights of the holders of Claims or equity interests in such class are not modified or altered. Holders of allowed claims and interests in impaired classes are entitled to vote on a Debtor's plan of reorganization. Under the Debtor's Plan, 36-20 Bowne, LLC (Class 2) , (Class 3) unsecured and
(Class 4) equity interests are impaired and, therefore, are entitled to vote on the Debtor's Plan.

a. Class 2 - 36-20 Bowne LLC Secured Claim

To purchase all of the Debtor's Real estate:

The total purchase price payable to Seller for the Property (the "Purchase Price") shall be equal to (a) the outstanding principal balance, accrued interest, protective advances, and all applicable costs and expenses charged by the holder of 36-20 Mortgage calculated through and including the Closing Date, (b) the assumption of the outstanding principal balance, accrued interest, protective advances, and all applicable costs and expenses charged by the holder of the first priority lien holder, Kennedy, calculated through and including the Closing Date, (c) at least fifteen (15%) of all costs and expenses listed as obligations owed by Seller to unsecured creditors, and (d) all legal fees and related administrative costs and expenses of the Seller with respect to the Bankruptcy filing, provided however that the aggregate amount of subsections (c) and (d) do not exceed $300,000.00. If 36-20 is outbid at the auction sale, then it will be paid at the closing of the real estate in full on its claim including post-petition interest and attorneys fees. This amount is estimated to be $5,662,315.18.[6]

b. Class 3 - General Unsecured Claims

To be paid at least 15% of their respective claims, from the proceeds of the sale of the Debtor's properties. The exact percentage is estimated to be between 10 to 20% and will be based on the balance of the $300,000.00 amount the 36-20 has agreed to pay, less debtor's administrative expenses.

c. Class 4 - Equity Interests

---

[6] The Debtor estimates that to the closing date, the interest will be at least $100,000.00 more.

Equity will fund all administrative expenses due on the effective date. The company will liquidate after confirmation and the equity will be worthless. Suzuki Capital Funding through its members and president, Sam Suzuki, holds 93% of the equity.

D. Funding for the Plan

The funding of the Plan can only be achieved by selling the real estate to the 2nd mortgage holder pursuant to Section 363 of the US Bankruptcy Court.

E. Description of Other Provisions of the Plan

1. Disputed Claims

The Plan provides that with respect to any Disputed Claims and Equity Interests, for the purpose of effectuating the provisions of the Plan and the distributions to holders of Allowed Claims and Equity Interests, the Bankruptcy Court, on or prior to the Effective Date or such date or dates thereafter as the Bankruptcy Court shall set, may fix or liquidate the amount of such Disputed Claims and Equity Interests pursuant to Section 502(c) of the Bankruptcy Code, in which event the amounts so fixed or liquidated shall be deemed the maximum amounts of the Disputed Claims and Equity Interests pursuant to Section 502(c) of the Bankruptcy Code for purposes of distribution under the Plan.

When a Disputed Claim or Equity Interest becomes an Allowed Claim or Equity Interest, the Reorganized Debtor shall distribute to the holder of such Allowed Claim or Equity Interest, the property distributable to such holder as provided in the Plan.

2. Payments on Disputed Claims

The Plan provides that in the event any dispute between and among holders of Claims or Equity Interests and/or the holders of a Disputed Claim or Equity Interests as to the right of any Person to receive or retain any payment or distribution to be made to such Person under the Plan, the Reorganized Debtor may, in lieu of making such payment or distribution to such Person, instead hold such payment or distribution, without interest, until the disposition thereof shall be determined by a Final Order of the Bankruptcy Court or other court with appropriate jurisdiction.

3. Unclaimed Property

Any distributions under the Plan that are unclaimed for a period of six months after distribution thereof shall revert and be revested in the Reorganized Debtor, and any entitlement of any holder of any Claim or Equity Interest to such distributions shall be forfeited, extinguished, and forever barred. If such payments are returned, uncashed or otherwise unclaimed, the Debtor will hold such payments and any additional payments or distributions to be made to the holder of such Claim for a period of six months. If, during the six months, the holder of such Claim fails to assert its right to payment or inform the Debtor of its failure to pay, the holder of such Claim shall forfeit

its right to any future distributions and shall be forever barred from asserting any rights with respect to its Claim in the future.

4. Discharge

Except as otherwise expressly provided in Section 1141 of the Bankruptcy Code

or the Plan, the distributions made pursuant to and in accordance with the applicable terms and conditions of the Plan are in full and final satisfaction, settlement, release and discharge as against the Debtor, and, to the extent of tax liability applicable to New York State Department of Taxation and Finance ("New York State") and Internal Revenue Service (IRS), all of the Officers and Owners**,** of any debt that arose before the Effective Date, and any debt of a kind specified in Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, and all Claims and Equity Interests of any nature, including, without limitation, any interest accrued thereon from and after the Petition Date, whether or not (i) a proof of Claim or Equity Interest based on such debt, obligation or equity interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) such Claim or Equity Interest is Allowed under Section 502 of the Bankruptcy Code or (iii) the holder of such Claim or Equity Interest has accepted the Plan; provided, however, that the foregoing discharge shall not apply to rights of holders of Rescission or Damage Claims, and Indemnification Claims arising from or related thereto, to pursue such claims against the Debtor, and, to the extent of derivative tax liability, all of the Officers and Owners, solely to obtain a right or recovery against any applicable insurance coverage of the Debtor or to seek indemnification (but not to enforce a judgment on any other property of the Debtor or Reorganized Debtor, and, to the extent of derivative tax liability to Taxing Authorities, all of the Officers and Owners).

5. Injunctions

Except as otherwise provided in the Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date and only to the extent permitted by applicable law, all Persons who have held, hold or may hold Claims against the

interests in the Debtor or the Estate are, with respect to any such Claims or Interests, permanently enjoined after the Confirmation date from: (a) commencing, conducting or continuing in any manner, directly or indirectly any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtor, the Estate or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (b) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the Debtor, the Estate or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor, the Estate or any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (d) asserting any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against any obligation due to the Debtor, the Estate or any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; and (e) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

Notwithstanding anything contained herein to the contrary, nothing in this Plan shall effect a release of any non-Debtor from any claim of the United States of America or its agencies

or subdivisions (the "United States"); nor shall anything in this Plan enjoin the United States from bringing any claim, suit, action or other proceeding against any non-Debtor; nor shall anything in this Plan modify, alter, impair, or in any way affect the claims and rights of the United States as to any person or entity other than the Debtor; nor shall anything in this Plan extinguish, waive, or otherwise adversely affect the rights of the United States under 11 U.S.C. § 553.

6. Exculpation

Neither the Debtor nor the Reorganized Debtor, nor any of their respective members, officers, directors, general partners, managing agents, owners, or employees (acting in such capacity) nor any professional person employed by any of them, shall have or incur any liability to any entity for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the Case or the Plan. From and after the Effective Date, a copy of the Confirmation Order and the Plan shall constitute and may be submitted as a complete defense to any claim or liability satisfied, discharged and released pursuant to Article 12 of the Plan; provided, however, that nothing in the Plan shall, or shall be deemed to, release the Debtor or Reorganized Debtor from, or exculpate the Debtor or Reorganized Debtor with respect to, their respective obligations or covenants arising pursuant to the Plan.

If the Plan is confirmed containing releases of liability as to the Debtor and

the Reorganized Debtor, creditors will be unable to pursue any claims that are discharged under the Plan, but creditors can pursue claims against the Debtor or the Reorganized Debtor that may arise in the future, or pursuant to the Plan.

7. Full and Final Satisfaction

Pursuant to the Plan, all payments and all distributions shall be in full and final satisfaction, settlement, release and discharge of all Claims and Equity Interests, except as otherwise provided in the Plan.

8. Disbursement of Funds and Delivery of Distribution

Subject to Bankruptcy Rule 9010, all distributions under the Plan shall be made by the Reorganized Debtor (the disbursing agent) to the holder of each Allowed Claim at the address of such holder as listed on the Schedules as of the Distribution Record Date, unless the Debtor or Reorganized Debtor has been notified in writing of a change of address, including, without limitation, by the filing of a proof of claim or notice of transfer of claim filed by such holder that provides an address for such holder different from the address reflected on the Schedules.

Any payment of Cash made by the Reorganized Debtor (the disbursing agent) pursuant to the Plan shall be made by check drawn on its domestic Chase Bank account, or from a check drawn from the attorney escrow account of Law Offices of Stephen B. Kass, P.C.

Any payment or distribution required to be made under the Plan on a day other than a business day shall be made on the next succeeding business day.

Whenever any payment of a fraction of a cent would otherwise be called for, the

actual payment shall reflect a rounding of such fraction to the nearest whole cent (rounding down in the case of .50 or less and rounding up in the case of more than .50).

9. Avoidance and Recovery Actions

As of and subject to the occurrence of the Effective Date, the Debtor and the Reorganized Debtor, for and on behalf of itself and its Estate, will waive and release any of the Causes of Action under Sections 510, 544, 547, 548, 550 and 553 of the Bankruptcy Code. The Debtor believes, after a thorough investigation and review with its counsel, that there are no Causes of Action under Section 510, 544, 547, 548, 550 and 553 of the Bankruptcy Code that would provide a meaningful source of funds for the Debtor.

10. Retention of Jurisdiction

The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Case and the Plan pursuant to, and for the purposes of, Sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) to hear and determine any and all objections to the allowance of any Claims or any controversies as to the classification of any Claims, provided that only the Debtor may file objections to Claims;

(b) to hear and determine any and all applications by Professionals for compensation and reimbursement of expenses;

(c) to hear and determine any and all pending applications for the rejection and disaffirmance of executory contracts and unexpired leases, and fix and allow any Claims resulting therefrom;

(d) to liquidate any Disputed Claim;

(e) to enforce the provisions of the Plan, including the injunction, exculpation and releases provided for in the Plan;

(f) to enable the Debtor to prosecute any and all proceedings which have been or may be brought prior to the Effective Date to set aside liens or encumbrances and to recover any transfers, assets, properties, or damages to which the Debtor may be entitled under applicable provisions of the Bankruptcy Code or an federal, state, or local laws;

(g) to correct any defect, cure an omission, or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out its purpose and the intent of the Plan;

(h) to determine such other matters as may be provided for in the Confirmation Order or as may be authorized under the provisions of the Bankruptcy Code.

11. Executory Contracts and Unexpired Leases

Any unexpired lease or executory contract that has not been expressly assumed or rejected by the Debtor or has not naturally expired during the course of this Case, or is treated in the Plan with the Bankruptcy Court's approval on or prior to the Confirmation Date shall, as of the Confirmation Date (subject to the occurrence of the Effective Date), be deemed to have been assumed by the Debtor unless there is pending before the Bankruptcy Court on the Confirmation Date a motion to reject such unexpired lease or executory contract or such executory contract or unexpired lease is otherwise designated for rejection; provided that such lease or executory contract is ultimately rejected. In accordance with Section 1123(a)(5)(G) of the Bankruptcy

Code, on the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor shall cure all defaults under any executory contract or unexpired lease assumed pursuant to the Plan by making a Cash payment in an amount agreed to between the Reorganized Debtor and the claimant, or as otherwise fixed pursuant to a Final Order. The Debtor believes that at this time, there are no unexpired leases or executory contracts that require assumption or rejection.

12. Post-Confirmation Fees, Final Decree

The Reorganized Debtor shall be responsible for the payment of any post-confirmation fees due pursuant to 28 U.S.C. § 1930(a)(6) and the filing of post-confirmation reports, until a final decree is entered. A final decree shall be entered as soon as practicable after distributions have commenced under the Plan.

13. Continuation of Bankruptcy Stays

All stays provided for in the Chapter 11 Case under Section 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

14. Revesting of Assets

Except as otherwise provided by the Plan, upon the Effective Date, title to all properties and assets of the Debtor shall pass to the Reorganized Debtor free and clear of all Claims, Liens, encumbrances and interests of creditors and the Confirmation Order shall be a judicial determination of discharge and extinguishment of all Claims, Liens or equity interests (except those created pursuant to the Plan).

15. Conditions to Effective Date of the Plan

The Plan shall not become effective unless and until the following conditions shall have been satisfied or waived pursuant to Section 14.2 of the Plan:

(a) the Confirmation Order in form and substance reasonablely acceptable to the Debtor, and other interested parties, shall have been entered by the Bankruptcy Court and shall have become a Final Order;

(b) the Reorganized Debtor will have made the first monthly distribution as required by and proposed by the Plan;

(c) all actions, other documents and agreements necessary to implement the Plan shall have been effected or executed and delivered.

In the event that one or more of the conditions specified in Section 14.2 of the Plan have not occurred on or before 90 days after the Confirmation Date, upon notification submitted by the Debtor to the Bankruptcy Court (a) the Confirmation Order shall be vacated, (b) no distributions under the Plan shall be made, (c) the Debtor and all holders of Claims and Equity Interests shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred and (d) the Debtor's obligations with respect to the Claims and Equity Interests shall remain unchanged and nothing contained herein shall constitute or be deemed a waiver or release of any Claim or Equity Interests by or against the Debtor or any other Person or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

16. The non payment of transfer taxes as a result of the confirmation of the Debtor's plan of reorganization.

Pursuant to Section 1146(a) of the Bankruptcy Code " the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer *under a plan confirmed* pursuant to section 1129 of this title, may not be taxed under any law imposing a stamp tax or similar tax".[7]

The Court of Appeals for the Second Circuit defines the elements of the stamp tax:

(1) tax that is imposed only at the time of transfer or sale of the item at issue; (2) the amount due is determined by the consideration for, par value of, or value of the item being transferred; (3) the tax rate is a relatively small percentage of the consideration, par value, or value of property; (4) the tax is imposed irrespective of whether the transferor enjoyed a gain or suffered a loss on the sale or transfer; and (5) in the case of state documentary transfer taxes, the tax must be paid as a prerequisite to recording. [8]

Prior to the June 16, 2008 U.S. Supreme Court's decision holding that section 1146(a) only affords a stamp tax exemption to transfers made pursuant to a confirmed Chapter 11 Plan of Reorganization, there was a split among several federal circuit courts on this issue. The Supreme Court decision on June 16, 2008 has cemented a bright line rule that "the most natural reading of § 1146(a)'s text, the provision's placement within the Bankruptcy Code, and applicable substantive canons, such as the federalism canon, all led to the same conclusion: Section 1146(a) afforded a stamp-tax exemption only to transfers made pursuant to a Chapter 11 plan that had been confirmed."[9] The court explicitly stated that there must be a confirmed plan at

---

[7]11 U.S.C. §1146(a)

[8] In re 995 Fifth Ave., Assocs., L.P., 963 F. 2d 503,512 (2bd Cir. 1992).

[9]*Florida Department of Revenue vs. Piccadilly Cafeterias, Inc.,* 2008 U.S. LEXIS 5025.

place at the time of transfer.[10]

Based on the above Supreme Court decision, the Debtor is planning to effectuate the sale of its assets after the Debtor's Plan of Reorganization is confirmed. Therefore, the Debtor had filed a Motion for the sale of its assets and prior to that filed a Disclosure Statement. The hearing on both Motions will take place on the same date, March 5, 2009. After the approval of the Debtor's Disclosure Statement, the Debtor is planning on filing a Plan and have a hearing on the Plan prior to the date of the auction sale of the Debtor's property.

Under this proposed timetable, the Debtor will be able to save considerable amounts of money that will be available for distribution to unsecured creditors.

F. Post-Confirmation Officers and Directors

Sam Suzuki, Managing Member of Suzuki Capital Funding, Ltd., which is the majority (93%) owner of the Bownetree LLC immediately prior to the Effective Date shall serve as the senior managing officer of the Reorganized Debtor on and after the Effective Date. The company will be inactive after the effective date.

V.

ACCEPTANCE AND CONFIRMATION OF THE PLAN

The following is a brief summary of the provisions of the Bankruptcy Code respecting acceptance and confirmation of a plan of reorganization. Holders of Claims and Equity Interests are encouraged to review the relevant provisions of the Bankruptcy Code and/or to consult their own attorneys.

---

[10] *Id.*

A. Acceptance of the Plan

This Disclosure Statement is provided in connection with the solicitation of acceptances of the Plan. The Bankruptcy Code defines acceptance of a plan of reorganization by a class of Claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the allowed Claims of that class that have actually voted or are deemed to have voted to accept or reject a plan. The Bankruptcy Code defines acceptance of a plan of reorganization by a class of interests as acceptance by at least two-thirds in amount of the allowed interests of that class that have actually voted or are deemed to have voted to accept or reject a plan.

If one or more impaired Classes rejects the Plan, the Debtor may, in their discretion, nevertheless seek confirmation of the Plan if the Debtor believes that they will be able to meet the requirements of Section 1129(b) of the Bankruptcy Code for Confirmation of the Plan (which are set forth below), despite lack of acceptance by all impaired classes.

B. Confirmation

1. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. Notice of the Confirmation Hearing of the Plan will be provided to all known holders of Claims and Equity Interests or their representatives along with this Disclosure Statement. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any subsequent Confirmation Hearing.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may

object to confirmation of a plan. Any objection to Confirmation of the Plan must be in writing, must conform with the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, must set forth the name of the objectant, the nature and amount of Claims or Equity Interests held or asserted by the objectant against the Debtor's Estates or property, and the basis for the objection and the specific grounds in support thereof. Such objection must be filed with the Bankruptcy Court together with proof of service thereof, and served upon (a) counsel to the Debtor, Law Offices of Stephen B. Kass, P.C. 225 Broadway, Ste. 711, New York, New York 10007. Attn: Alina N. Solodchikova, Esq., and (b) counsel to the United States Trustee, Office of the United States Trustee, Attn. Jacqueline Frome, Esq. 271 Cadman Plaza East, Suite 4529, Brooklyn, NY 11021, so as to be received no later than the date and time designated in the notice of the Confirmation Hearing.

2. Statutory Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Debtor will request that the Bankruptcy Court determine that the Plan satisfies the requirements of Section 1129 of the Bankruptcy Code. If so, the Bankruptcy Court shall enter an order confirming the Plan. The applicable requirements of Section 1129 of the Bankruptcy Code are as follows:

(a) The Plan must comply with the applicable provisions of the Bankruptcy Code;

(b) The Debtor must have complied with the applicable provisions of the Bankruptcy Code;

(c) The Plan has been proposed in good faith and not by any means forbidden by law;

(d) Any payment made or promised to be made by the Debtor under the Plan for

services or for costs and expenses in, or in connection with, this Chapter 11 case, or in connection with the Plan and incident to the Reorganization Case, has been disclosed to the Bankruptcy Court, and any such payment made before Confirmation of the Plan is reasonable, or if such payment is to be fixed after Confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

(e) The Debtor has disclosed the identity and affiliation of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Debtor under the Plan. Moreover, the appointment to, or continuance in, such office of such individual, is consistent with the interests of holders of Claims and Equity Interests and with public policy, and the Debtor has disclosed the identity of any insider that the Reorganized Debtor will employ or retain, and the nature of any compensation for such insider.

(f) Best Interests of Creditors Test. With respect to each Class of impaired Claims or Equity Interests, either each holder of a Claim or Equity Interest of such Class has accepted the Plan, or will receive or retain under the Plan on account of such Claim or Equity Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code. In a Chapter 7 liquidation, creditors and interest holders of a debtor are paid from available assets generally in the following order, with no lower class receiving any payments until all amounts due to senior classes have either been paid in full or payment in full is provided for: (i) first to secured creditors (to the extent of the value of their collateral); (ii) next to priority creditors, (iii) next to unsecured creditors, (iv) next to debt expressly subordinated by its terms or by order of the Bankruptcy Court, and (v) last to holders of equity interests. Attached hereto as Exhibit " D"

is a Liquidation Analysis prepared by the Debtor. As set forth therein, in light of the foregoing priority, the Debtor believes that if this Chapter 11 case was converted to a Chapter 7 liquidation, holders of Class 2, 3 and 4 claims would receive a reduced % of their total claims, based on, among other things, the allowance of the full, asserted amount of the claims. Unsecured creditors would clearly receive zero. Where unsecured creditors are paid less that the full amount of their allowed claims, one of the requirements for confirmation is that a Plan not provide for any payments to a junior class unless all superior classes are paid in full. Since general unsecured creditors are superior to the Debtor's equity holders, the equity holders may not retain their interest unless one of three situations occur:

1. The Plan provide for full payment to general unsecured creditors; or

2. The equity holders seeking to retain their equity interest contribute "money or money's worth" in the form of needed capital to the reorganized Debtor reasonably equivalent in value to that of the equity interests sought to be retained (hereinafter referred to as the "New Value Exception"); provided, that other persons or entities have a fair opportunity to make a higher or better offer for such new equity interest; or

3. The class of unsecured creditors waive their rights by consenting to the Plan as proposed.

If the unsecured creditors vote as a class to accept a Plan which provides for less than full payment to them, while permitting the equity holders to retain their interests, their acceptance constitutes the waiver referred to in Item (3) above. Unsecured creditors may elect not to waive these rights by rejecting the Plan. See Bank of America v. 203 N. LaSalle Street Partnership, 119

S. Ct. 1411 (1999).; Norwest Bank Worthington v. Ahlers, 485 U.S. 197 (1988).; Case v. Los Angeles Lumber Products, 308 U.S. 106 (1939). Louisville Truste CO. v. Louisville N.A. & C. Ry. Co., 174 U.S. 674 (1899). To give other persons or entities the opportunity to make a higher or better offer for the equity of the Reorganized Debtor, the Debtor will consider any such offer made in writing to its counsel and filed with the Court on or before ____, 2008. If any such offer is timely submitted, the Debtor will hold an auction before the Confirmation Hearing. See generally the Notice of Sale attached as Exhibit "C" hereto for bidding and auction procedures.;

(g) Each Class of Claims or Equity Interests has either accepted the Plan or is not impaired under the Plan;

(h) Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Allowed Administrative and Priority Claims (other than Allowed Priority Tax Claims) will be paid in full on the Effective Date and that Allowed Priority Tax Claims will receive on account of such Claims deferred Cash payments, over a period not exceeding six years after the date of assessment of such Claim, of a value, as of the Effective Date, equal to the Allowed amount of such Claim;

(i) At least one impaired class of Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim of such Class;

(j) Feasibility. 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 under the Plan. Equity holders have undertaken to fund the administrative expenses and the Debtor will then liquidate.

3. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a Bankruptcy Court to confirm a plan, even if such plan has not been accepted by all impaired classes entitled to vote on such plan, provided that such plan has been accepted by at least one impaired class. If any impaired classes reject or are deemed to have rejected the Plan, the Debtor reserves its right to seek the application of the statutory requirements set forth in Section 1129(b) of the Bankruptcy Code for Confirmation of the Plan despite the lack of acceptance by all impaired classes. Upon submission of the Disclosure Statement, the Debtor maintains that Classes 2, 3 and 4 are impaired under the Plan.

Section 1129(b) of the Bankruptcy Code provides that notwithstanding the failure of an impaired class to accept a plan of reorganization, the plan shall be confirmed, on request of the proponent of the plan, in a procedure commonly known as “cram-down,” so long as the plan does not “discriminate unfairly” and is “fair and equitable” with respect to each class of Claims or interests that is impaired under and has not accepted the plan.

The condition that a plan be “fair and equitable” with respect to a non-accepting class of secured Claims includes the requirements that (a) holders of such secured Claims retain the liens securing such Claims to the extent of the allowed amount of the Claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan, and (b) each holder of a secured Claim in the class receive deferred cash payments totaling at least the allowed amount of such Claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant’s interest in the debtor’s property subject to the liens.

The condition that a plan be “fair and equitable” with respect to a non-accepting class of unsecured Claims includes the requirement that (a) such class receive or retain under the plan property of a value as of the effective date of the plan equal to the allowed amount of such Claim,

or (b) if the class does not receive such amount, no class junior to the accepting class will receive a distribution under the plan.

The conditions that a plan be "fair and equitable" with respect to a non-accepting class of equity interests includes the requirements that either (a) the plan provides that each holder of an equity interest in such class receive or retain under the plan, on account of such equity interest, property of a value, as of the effective date of the plan, equal to the greater of (i) the allowed amount of any fixed liquidation preference to which such holder is entitled, (ii) any fixed redemption price to which such holder is entitled, or (iii) the value of such equity interest, or (b) if the class does not receive such amount, no class of equity interests junior to the non-accepting class will receive a distribution under the plan.

VI.

RISK FACTORS

A. Leverage

Although the Plan will provide a means for the Debtor to repay its pre-petition liabilities, the Reorganized Debtor will remain leveraged. The degree to which the Reorganized Debtor is leveraged could have important consequences, including the the Reorganized Debtor's ability to close on the Sale and Purchase agreement,

B. Dependence on Key Personnel

The Debtor is dependent on the continued services of Sam Suzuki, Managing member of the Suzuki Capital Funding, the majority owner of Bownetree LLC. The Debtor

believes the loss of the services of Sam Suzuki would have a material adverse effect on the Reorganized Debtor if not making its reorganization impossible.

C. Certain Bankruptcy Related Considerations

Although the Debtor believes that the Plan will satisfy all requirements necessary for Confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. There can also be no assurance that modifications of the Plan will not be required for Confirmation.

E. 363 Sale Completion

The 2nd mortgage holder who has undertaken to buy all of the real estate and payoff certain creditors has to complete this sale for this plan to work. The Debtor is planning to liquidate after the sale of all of its assets.

VII.

ALTERNATIVES TO THE PLAN AND CONSEQUENCES NOT CONFIRMING

Among the possible consequences if the Bankruptcy Court refuses to confirm the Plan are the following: (1) an alternative plan could be proposed or confirmed; or (2) the Chapter 11 Case could be converted to a liquidation under Chapter 7 of the Bankruptcy Code.

A. Alternative Plans

As previously mentioned, with respect to an alternative plan, the Debtor and its professional advisors have explored various alternative scenarios and believe that the Plan enables the holders of Claims and Equity Interests to realize the maximum recovery under the circumstances. The Debtor believes the Plan is the best plan that can be proposed and serves the best interests of the Debtor and other parties-in-interest.

B. Chapter 7 Liquidation

Based upon the liquid and saleable assets of the Debtor, only holders of Class 1 are likely to receive full distributions on their claims if the Debtor is forced to liquidate. Class 3 will receive zero percent distribution on their claims if the Debtor is forced to liquidate in Chapter 7. The liquidation value is based on the knowledge of the president of the Debtor, who has substantial experience in the industry and had been in business for over 10 years. Once the case is converted to a Chapter 7 case, Chapter 7 Trustee will be appointed to the case. Chapter 7 Trustee will be trying to sell the assets of the company which will result in additional expenses that the Debtor will have to pay, such as 10% trustee's fee. Moreover, since the Debtor has already signed a sale agreement with 36-20 Bowne LLC and is currently negotiating with potential higher and better bidders it just seems illogical to stop this process and start it over again once the case is converted to the one under Chapter 7.

C. Dismissal of the Case

In the event the case is dismissed the creditors will be allowed to pursue the Debtor in the ordinary course of business. This means that creditors will be allowed to assert late fees, penalties and interest, as well as attorneys fees which can sum a very considerable amount. The second and first mortgage companies will start foreclosure proceedings, which will result in the sale of the Debtor's real properties, which hopefully will only be enough to cover their interests, nothing will be distributed to the unsecured creditors.

The Debtor has approximately $1,195,524.72 in unsecured debt.. The interest that the creditors will be able to assess would be somewhere from 18% to 24%, which results in interest payments over $17,932.87 a month. These are the amounts that the Debtor would have to pay every month in addition to regular principal debt payments once the case is dismissed. The Debtor will not be able to pay this amount based on the projected 3 year projections.

In a dismissal, the creditors that are the most aggressive and assert levies will be able to collect more than the creditors who do not resort to these activities. By having the Debtor's assets foreclosed in a distressed sale, it is likely that unsecured creditors would be wiped out in such a proceeding as well as the equity interests.

VIII.

RECOMMENDATION AND CONCLUSION

The Debtor and its professional advisors have analyzed different scenarios and believe that the Plan will provide for a larger distribution to holders of Claims and Equity Interests

than would otherwise result if an alternative restructuring plan were proposed or the assets of the Debtor were liquidated. In addition, any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in potentially smaller distributions to the holders of Claims and Equity Interests. Accordingly, the Debtor recommends confirmation of the Plan and urges all holders of Claims and Equity Interests to support the Plan.

Dated: New York, New York
March 4, 2009

Bownetree, LLC
Debtor and Debtor-in-Possession
By: /s/ Sam Suzuki
Sam Suzuki, Member and President
Suzuki Capital Funding, LTD

LAW OFFICES OF STEPHEN B. KASS, P.C.
Attorneys for the Debtor and Debtor-in-Possession

By: /s/ Stephen B. Kass
Stephen B. Kass, Esq (sk7735)
Alina Solodchikova, Esq. (as9383)
225 Broadway, Ste. 711
New York, New York 10007
(212) 843-0050