

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF GEORGIA
MACON DIVISION**

IN RE:

CHARLIE N. MCGLAMRY, *et al.*,

Debtors.

Chapter 11

CASE NO. 12-51197-JPS
THROUGH
CASE NO. 12-51210-JPS; and
CASE NO. 12-51212-JPS

*Jointly Administered Under
Case No. 12-51197-JPS*

**DISCLOSURE STATEMENT
FOR DEBTOR CHARLIE N. MCGLAMRY'S CHAPTER 11 PLAN**

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Dated: August 24, 2012

I. INTRODUCTION

This Disclosure Statement (the "Disclosure Statement") has been prepared pursuant to Section 1125 of the United States Bankruptcy Code (the "**Bankruptcy Code**") on behalf of Charlie N. McGlamry ("**McGlamry**" or "**Debtor**") in connection with Debtor's solicitation of votes for his Chapter 11 Plan dated August ____, 2012 (the "Plan"). It contains important information about Debtor and the Plan.

In providing this Disclosure Statement to parties in interest, Debtor expressly seeks to enable such parties to make an informed judgment on whether to approve or reject the Plan.

This Disclosure Statement contains a summary of the Plan, general information about Debtor and their Chapter 11 cases and important information concerning Debtor' current and future financial condition.

The information contained herein has been prepared by Debtor in good faith, based upon information available to Debtor. Debtor has never caused any of the financial information contained herein to be verified by an audit. However, all financial information was compiled from the records of Debtor.

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 has been filed contemporaneously herewith. **Each creditor is encouraged to read, consider and carefully analyze the terms and provisions of the Plan.**

The statements contained in this Disclosure Statement are made as of the date hereof, unless another time is specified herein, and delivery of this Disclosure Statement shall not create an implication that there has been no change in the facts set forth herein since the date of this Disclosure Statement and the date the materials relied upon in preparation of this Disclosure Statement were compiled.

This Disclosure Statement may not be relied on for any purpose other than to determine how to vote on the Plan, and nothing contained herein shall constitute an admission of any fact or liability by any party, or be admissible in any proceeding involving Debtor or any other party, or be deemed conclusive advice on the tax or other legal effects of the reorganization on holders of claims or interests.

THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER GOVERNMENTAL AGENCY, NOR HAS THE COMMISSION OR ANY SUCH OTHER GOVERNMENTAL AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT, TOGETHER WITH THE PLAN, WHICH IS ANNEXED HERETO, SHOULD BE READ IN ITS ENTIRETY. ADDITIONALLY, IT MAY BE ADVISABLE FOR CREDITORS TO CONSULT THEIR OWN COUNSEL OR OTHER ADVISORS WITH RESPECT TO THE MATTERS CONTAINED HEREIN.

NO REPRESENTATIONS CONCERNING THE Debtor, THEIR FUTURE BUSINESS OPERATIONS, FINANCIAL CONDITIONS OR THE VALUES OF THEIR PROPERTY ARE AUTHORIZED BY DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO CREDITORS TO SECURE AN ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON IN ARRIVING AT A DECISION.

II. BRIEF DISCUSSION OF CHAPTER 11 OF THE BANKRUPTCY CODE

Under Chapter 11 of the Bankruptcy Code a debtor is afforded an opportunity to rehabilitate its business and to restructure its financial obligations to its creditors. In some instances, a debtor may also change the structure of its equity securities ("interests") by canceling one or more classes of equity securities or issuing new securities.

In general, a debtor files a "Chapter 11 Plan" which sets forth a proposal for settlement of the debtor's debts. A debtor's debts are classified as either unsecured or secured, depending on whether the debtor has pledged any of its property to the creditor as collateral for the debt.

The Bankruptcy Code (the "Code") requires that certain unsecured debts receive priority in payment over other debts. Examples of unsecured debts entitled to priority are expenses and fees incurred during the Chapter 11, wages and certain employee benefits, certain consumer obligations, and taxes.

The Code requires that a plan propose full cash payment to all priority unsecured creditors except taxing authorities. Taxes under the Code may be paid over time in installments. Unsecured creditors may receive all or a portion of their claims under a plan.

A debtor under Chapter 11 may restructure its secured debt by paying its secured creditors in cash in full or in installment payments. A debtor may also arrange for a secured creditor's collateral to be sold or surrendered.

In any event, unless the creditors agree differently, a plan must provide creditors with at least the same consideration which creditors would receive in a liquidation of a debtor under Chapter 7 of the Code.

The debtor or other proponent of a plan files the plan with the Clerk of the Bankruptcy Court. The Code requires that a plan be accompanied by a Disclosure Statement. The Disclosure Statement must contain a summary of the plan and sufficient information about the debtor and its financial affairs to enable a creditor or other party in interest to intelligently determine whether to vote for or against the plan.

After the plan and disclosure statement are filed, the Court holds a hearing on the adequacy of the disclosure statement. If the Court determines that the disclosure statement makes proper disclosure, then it is approved and the plan and disclosure statement, along with a ballot, are mailed to creditors and equity security holders for a vote.

Typically, a date is set by the Court as the last day votes may be counted. The Court also schedules a Confirmation Hearing at which time the votes are counted and the Court hears evidence as to whether the plan complies with various standards for confirmation under the Code. In order for the plan to be approved by creditors and interest holders, a vote of two-thirds in an amount and a majority in number of creditors of each class of "impaired" creditors who vote must affirmatively vote for the plan.

If a class of impaired creditors does not accept the plan, then the plan may still be confirmed if it is "fair and equitable" respecting such class. The Code defines "fair and equitable" regarding unsecured creditors as generally meaning payment of the entire amount of each creditor's claim or that no class of creditors or interest holders with a lesser priority will receive any consideration under the plan. Regarding secured creditors, "fair and equitable" generally means that the creditor receives the "indubitable equivalent" of its secured claim or cash or deferred payments with a present value equal to the amount of the secured claim.

When a plan is confirmed notwithstanding the lack of acceptance of all impaired classes, it is said that the debtor has effected a "cramdown" of the plan. "Impaired" means that the creditor or interest holder is not receiving precisely the same rights it was entitled under its contract with the debtor. Generally, unless an unsecured creditor receives one hundred percent of its claim in cash, it is said to be impaired.

After a debtor's Plan is confirmed, the debtor receives a discharge or release of all indebtedness which he/she does not pay under the provisions of the Plan, after all payments contemplated under the Plan are made, with certain exceptions pursuant to 11 U.S.C. § 1141(d)(5)(B). The discharge applies whether or not a creditor received notice of the Chapter 11 proceeding.

III. GENERAL INFORMATION AND BACKGROUND CONCERNING Debtor

A. Pre-bankruptcy History of Debtor

1. General Background

Over the past 44 years Charlie N. McGlamry has successfully developed numerous subdivisions and other real property in and around Houston County, Georgia. McGlamry continues to operate his real estate development business through McGlamry Properties, a sole proprietorship, and USA Land. McGlamry individually owns, through his sole proprietorship, approximately, 74 acres of undeveloped commercial property at the intersection of Russell Parkway and Corder Road in Houston County, Georgia.

As discussed more in detail below, McGlamry structured his business such that each time he acquired a property for development or sale, he would create a new entity to own the company. In fact his lenders suggested this type of structure in order to avoid credit limitations. In almost every instance, the single purpose entity would be the borrower, and McGlamry would personally guarantee the indebtedness.¹

Accordingly, McGlamry established a number of single member limited liability companies and sole shareholder corporations to own and develop specific tracts of land. McGlamry is the sole shareholder of Barrington Hall Development Corporation (“**Barrington**”) and USA Land Development, LLC (“**USA Land**”). McGlamry is the sole member of Bear Branch, LLC (“**Bear Branch**”), By-Pass/Courthouse, LLC (“**By-Pass**”), Chinaberry Place, LLC (“**Chinaberry**”), Eagle Springs, LLC (“**Eagle Springs**”), Elmdale Development, LLC (“**Elmdale**”), Gurr/Kings Chapel Road, LLC (“**Gurr-Kings**”), Jaros Development, LLC (“**Jaros**”), Lake Joy Development, LLC (“**Lake Joy**”), Old Hawkinsville Road, LLC (“**Hawkinsville**”), South Houston Development, LLC (“**South Houston**”), The Villages at Nunn Farms, LLC (“**Villages**”), and Houston-Peach Investments, LLC (“**Houston-Peach**”).

¹ With regard to McGlamry’s indebtedness to Synovus as discussed more in detail below, each of the borrower entities guaranteed all of each other’s indebtedness and McGlamry’s indebtednesses, and the collateral each pledged to Synovus also secures the indebtedness owed to Synovus by McGlamry and the other McGlamry Affiliates. Thus, all of the Synovus indebtedness is cross-guaranteed and cross-collateralized.

Each of these companies is a debtor in an “affiliate” Chapter 11 case pending in the Bankruptcy Court. For convenience these affiliated Chapter 11 debtors are hereinafter referred to as “**McGlamry Affiliates**”. Attached hereto as **Exhibit “A”** to this Disclosure Statement is a general description of the real property owned by each of the McGlamry Affiliates.

In addition, McGlamry owns membership interests and stock in other entities which are not in Chapter 11.

2. Events Leading to Chapter 11 Filing

The following is a brief summary of the events leading to the filing of the Chapter 11 cases by McGlamry and his affiliated companies. Included is also a discussion of the various indebtednesses owed to McGlamry’s major creditors.

a. General Economic Conditions

In 2007 the United States economy slid into a severe recession. The recession seriously impacted the real property market and the ability of prospective purchasers to obtain financing for real property purchases. The economic downturn and credit crunch adversely affected housing development all over the United States, including development in Houston County, Georgia. Additionally, the numerous bank failures and countless foreclosures, which were a direct result of the events that led to the recession further impacted housing demand and prices in the Houston County area, creating a negative downward spiral for residential real property prices in the area. In particular, foreclosing lenders flooded the market with vacant subdivision lots substantially driving down prices developers like McGlamry could obtain for their properties.

These events adversely affected McGlamry’s ability to repay his creditors, including his major secured creditor, Synovus Bank.

b. Synovus Bank (“Synovus”)

For a number of years, McGlamry financed the bulk of his subdivision development and land acquisitions with Synovus. In the spring of 2011, because of serious cash flow problems created by the soft real estate market in Houston County, McGlamry and the McGlamry Affiliates ceased making loan payments to Synovus and other lenders. Shortly thereafter, Synovus filed suit against those of his affiliated companies which had loans with Synovus and also against McGlamry individually. Following several months of litigation, Synovus obtained Judgments against McGlamry and each of the McGlamry Affiliates (other than Houston-Peach) in the approximate amount of \$37,600,000.00.

Importantly, each of these judgments constituted liens on all property owned by McGlamry and each of the McGlamry Affiliates (other than Houston-Peach), including property which was not pledged to Synovus.

Although McGlamry engaged in extensive negotiations with Synovus to resolve these matters, such attempts were not successful, and negotiations broke down in early May 2012. In order to prevent Synovus' judgment liens from becoming a permanent lien on property other than property already pledged to Synovus, McGlamry and the McGlamry Affiliates filed Chapter 11 Petitions on May 9, 2012.

c. State Bank & Trust Company ("State Bank")

As of the Petition Date, State Bank was owed approximately \$4,500,000.00 related to the Eagle Spring/State Bank Personal Property, the Houston-Peach/State Bank Real Property, the USA Land/State Bank Personal Property and the USA Land/State Bank Real Property (collectively, the "State Bank Property").

Pre-petition, State Bank, McGlamry, USA Land, Eagle Springs, and Houston-Peach engaged in negotiations to resolve issues related to the loans regarding the State Bank Property. However, such attempts were not successful. State Bank filed a lawsuit against McGlamry related to the Olympia Place Joint Venture. After the initiation of the lawsuit on the notes related to the Olympia Place Joint Venture property, State Bank began the foreclosure process and dismissed the pending litigation.

d. Branch Banking & Trust Company ("BB&T")

As of the Petition Date, BB&T was owed approximately \$1,350,000.00, related to a loan secured by a parcel of real property, approximately 90 acres in Land Lot 143 of the 10th Land District of Houston County, Georgia (the "BB&T Real Property"), by By-Pass, as debtor, and McGlamry, as guarantor. Pre-petition, By-Pass fell into default to BB&T related to the BB&T Real Property. BB&T initiated a lawsuit against By-Pass and McGlamry in the United States District Court for the Middle District of Georgia, Macon Division, Civil Action File No. 5:11-CV-00016-CAR (the "BB&T Lawsuit").

In December 2011, BB&T, By-Pass and McGlamry reached a settlement agreement (the "BB&T Settlement"), wherein: 1) a consent judgment was entered against By-Pass and McGlamry, in the amount of \$1,438,609.45; 2) By-Pass transferred, by a deed in lieu of foreclosure, the BB&T Real Property to Atlas GA III SPE, LLC, a designee of BB&T; and 3); By-Pass and McGlamry agreed to make the following payments: a) \$50,000.00, at the time of the execution of the settlement

documents; and b) \$4,166.66 per month, beginning on February 15, 2012, and continuing on the 15th of each subsequent month, through and including January 15, 2013; and 4) should By-Pass and McGlamry fail to make any of the payments listed in sub-section 3) herein, BB&T could begin collecting under the consent judgment, provided, that, By-Pass and McGlamry would be entitled to credit for any payments received, as well as a credit of \$500,000.00, related to the transfer of the BB&T Real Property by the deed in lieu of foreclosure.

By-Pass and McGlamry made the first three (3) payments pursuant to the BB&T Settlement as of May 9, 2012. By-Pass and McGlamry have been prohibited by the Bankruptcy Code from making further payments to BB&T under the BB&T Settlement due to the filing of the McGlamry and By-Pass Petitions.

e. *Votorantim Cimentos North America, Inc. ("VCNA")*

During the period October 2004 through July 2007 Limerock Creek Investment Company, LLC ("LCI"), a limited liability company wholly owned by McGlamry, purchased over 3,363 acres of land in Houston County, Georgia (the "Site 1 Land"). Additionally, Norfolk Timber Investments, LLC ("NTI"), an entity currently owned by GSL Investment Holdings, LLLP, purchased over 2,000 acres of land in Houston County, Georgia (the "Site 2 Land"). The Site 1 Land and Site 2 Land both contain substantial deposits of limestone.

In or about September 2006, McGlamry entered into a memorandum of understanding creating a joint venture with VCNA to jointly develop a cement plant in Houston County, Georgia. The Site 1 Land and Site 2 Land were to be used for that purpose. As a part of the joint venture, HAC Holdings, LLC ("HAC Holdings"), Houston American Mining, LLC ("HAM"), and Houston American Cement, LLC ("HAC", together with HAC Holdings and HAM, the "HAC Entities") were established to obtain, and in fact obtained, certain permits related to the development and construction of the cement plant in Houston County. The HAC Entities were formed by VCNA and VCNA was the sole owner of the HAC Entities. On or about February 28, 2008, as a part of the joint venture, LCI and VCNA US Material, Inc. ("VCNA US") formed Oketuck Timber Investments, LLC ("Oketuck") for the purpose of purchasing an approximately 1000 acre tract of land in Houston County, Georgia known as the Oketuck Property. Both VCNA US and LCI contributed to Oketuck equal amounts to fund the purchase price for the Oketuck Property. It was the intent of both LCI and VCNA US to have Oketuck sell the Oketuck Property within two years of the execution of the Oketuck Operating Agreement. If the Oketuck Property was not sold within two years of the execution of the Oketuck Operating Agreement, then pursuant to the Oketuck Operating Agreement, LCI was required to purchase VCNA US's interest in Oketuck. McGlamry guaranteed LCI's obligation to purchase VCNA US's interest in Oketuck.

Oketuck failed to sell the Oketuck property within 2 years of the execution of the Oketuck Operating Agreement. As a result VCNA US made demand on LCI and McGlamry to purchase VCNA US's interest in Oketuck. LCI and McGlamry failed to purchase VCNA US's interest in Oketuck. Accordingly, VCNA US filed a lawsuit in the United States District Court for the Middle District of Georgia. The lawsuit is styled *VCNA US Materials, Inc. v. Limerock Creek Investment Company, LLC and Charlie N. McGlamry v. VCNA US Materials, Inc. and Votorantim Cimentos North America, Inc.*, Civil Action File Number: 5:10-CV-380(HL) (the "VCNA Litigation").

LCI and McGlamry believed that pursuant to the joint venture the HAC Entities should have been owned 51% by VCNA and 49% by McGlamry. Accordingly, LCI and McGlamry filed a counterclaim in the VCNA Litigation, joining VCNA as a party, alleging breach of contract, breach of the covenant of good faith and fair dealing, promissory estoppel, and fraud. The parties to the VCNA Litigation engaged in substantial settlement discussions. As a result of these discussions, the parties settled their claims against each other.

The details of the settlement agreement are confidential. However, the provisions of the settlement which affect Debtor and the Plan required NTI to grant VCNA a security deed in the Site 2 Land in the amount of \$2,000,000.00 and resulted in the termination of the joint venture between McGlamry and VCNA.

f. AgGeorgia Farm Credit, ACA ("AgGeorgia")

In September 2007, McGlamry borrowed \$10,000,000.00 from AgGeorgia. LCI and Barrington guaranteed McGlamry's indebtedness to AgGeorgia. Additionally, to secure the \$10,000,000.00 loan, LCI conveyed the Site 1 Land the AgGeorgia through a Deed to Secure Debt and Barrington conveyed certain other real property to AgGeorgia through a Deed to Secure Debt. Pre-petition McGlamry defaulted on the loan from AgGeorgia and LCI and Barrington defaulted under their respective guaranties. AgGeorgia exercised its rights under the Deeds to Secure Debt to foreclose the Site 1 Land and the land Barrington conveyed to AgGeorgia under its Deed to Secure Debt. On January 3, 2012, AgGeorgia foreclosed the Site 1 Land with AgGeorgia as the winning bidder for a credit bid of \$6,988,000.00. Also on January 3, 2012, AgGeorgia foreclosed the Barrington land with AgGeorgia as the winning bidder for a credit bid of \$1,000,000.00. AgGeorgia reported both of the foreclosure sales to the Honorable Edward D. Lukemire, Judge of the Houston County Superior Court and requested that the Houston County Superior Court confirm the foreclosure sales. A confirmation hearing was held on February 27, 2012 and AgGeorgia failed to prove that the subject properties brought their fair market value at the foreclosure sale. Accordingly, the Houston County Superior Court denied confirmation of the foreclosure sale. Accordingly, AgGeorgia may not maintain any action to obtain a deficiency from McGlamry, LCI, or Barrington.

g. Colony Bank ("Colony")

In or about 2006, Eagle Springs borrowed approximately \$204,000 from Colony Bank of Houston County an office of Colony Bank of Fitzgerald. McGlamry and North Houston Lake Road, LLC each provided an unconditional and unlimited guaranty of this debt. Over several years Eagle Springs borrowed from Colony a total of approximately \$3,300,000.00. The loan was secured by real property located in Houston County, Georgia. The guaranties were unsecured. In 2011, Colony filed a lawsuit against Eagle Springs, McGlamry and North Houston Lake Road, LLC alleging breach of contract with respect to the Eagle Springs promissory note and Guaranties of McGlamry and North Houston Lake Road. This case was pending on the Petition Date.

h. CertusBank ("Certus")

In or about September 2009, Arena Road/Cainion Place, LLC ("Arena") refinanced a promissory note with Atlantic Southern Bank for approximately \$640,000. This promissory note was secured by real estate owned by Arena. The debt of Arena to Atlantic Southern Bank was guaranteed by McGlamry. Atlantic Southern Bank failed, and its assets, including the Arena promissory note have purportedly been purchased by Certus.

i. SunMark Community Bank ("SunMark")

In or about November 2011, Lake Joy borrowed approximately \$164,000 from SunMark. The promissory note was secured by real property located in Houston County, Georgia. The promissory note was guaranteed by McGlamry.

j. KeyBank, National Association ("Key Bank")

In or about July 2006, Seville South Partners, L.P. ("Seville South") borrowed approximately \$17,000,000.00 from LaSalle Bank to refinance debt related to the Sandpiper Apartments. This debt is currently owned by KeyBank. The debt is secured by real property located in Houston County, Georgia more commonly known as the Sandpiper Apartments. McGlamry guaranteed the debt of Seville South to KeyBank.

k. Wells Fargo Bank, N.A. ("Wells Fargo")

In or about September 2010, Coldwater Creek Apartments, LLC ("Coldwater") borrowed approximately \$17,000,000.00 from Wells Fargo to refinance debt related to the Coldwater Creek Apartments. The debt is secured by real property located in Houston County, Georgia more commonly known as the Coldwater Creek Apartments. McGlamry guaranteed the debt of Coldwater to Wells Fargo.

In or about March 2005, Seville Partners, L.P. ("Seville Partners") borrowed approximately \$1,850,000 from Columbus Bank & Trust Company related to the World Storage ("World Storage") facility. The debt is currently owned by Wells Fargo. The debt is secured by real property located in Houston County, Georgia more commonly known as World Storage. McGlamry guarantied the debt of Seville Partners to Wells Fargo.

I. PlantersFIRST Bank ("Planters")

In or about February 2011, American Sand Co., L.L.C. ("American Sand"), borrowed approximately \$3,700,000.00 from Planters. The promissory note is secured certain property owned by American Sand in Crawford and Peach Counties, Georgia. Eighty percent (80%) of the promissory note is a guarantied to Planters by the United States Department of Agriculture Rural Development program. Additionally, McGlamry has provided an unlimited guarantied of the full balance of the promissory note and F. Keith Newton, McGlamry's Son-in-Law and 10% owner of American Sand, has provided a limited guaranty of the promissory note.

B. Summary of Activities in Debtor' Chapter 11 Cases.

On May 9, 2012, McGlamry instituted his Chapter 11 case and also caused Chapter 11 cases to be filed by the fourteen McGlamry Affiliates. The cases are pending before the Honorable James P. Smith, U.S. Bankruptcy Judge for the United States Bankruptcy Court, Middle District of Georgia, Macon Division. Debtor has continued in possession of his assets, and no Trustee(s) has been appointed in any of the cases.

In conjunction with his Chapter 11 petition filings, Debtor filed several motions seeking what is commonly referred to as "first day" relief. This first day relief was designed to meet the goals of (1) continuing Debtor's business operations in Chapter 11 with as little disruption as possible, (2) maintaining the confidence and support of customers, employees, and other key constituencies, and (3) establishing procedures for the smooth and efficient administration of the Chapter 11 cases.

The Court approved the requested first day relief in various orders ("First Day Orders") entered by the Court on May 11, 2012. The First Day Orders provided, among other things, for:

- a. joint administration of the cases;
- b. a procedure to limit notice in the cases to certain parties;

- c. authority to maintain existing bank accounts; and
- d. authority to meet certain pre-petition obligations related to payroll and insurance.

Debtor also sought and subsequently obtained the following relief:

- a. authority to retain Cohen Pollock Merlin & Small, P.C. as his bankruptcy counsel, and Nichols Cauley & Associates, LLC, as his accountants, in the Chapter 11 cases;
- b. a procedure to set adequate assurance amounts for utility providers and an objection procedure related to the same;
- c. an Order approving an extension of time for Debtor to file his schedules and statement of financial affairs, as well as the filing of the same on June 13, 2012;
- d. Orders approving auctions procedures related to and the sale of the Jaros/Synovus Real Property, the Lake Joy/Synovus Real Property, and Hawkinsville/Synovus Real Property, which was sold to Synovus, pursuant to an auction conducted on June 15, 2012;
- e. an Order approving the sale of the real property owned by McGlamry located at 105 Westcliff Blvd., Warner Robbins, GA to James M. Pettis;
- f. an Order approving the assignment of the Lake Joy/Word in Season Note to Synovus; and
- g. an Order approving the procedure for payment of professionals on a monthly basis.

Debtor further filed an adversary proceeding, Adversary Proceeding No. 12-5047-jps, against Synovus in order to avoid the judgment lien obtained by Synovus during the 90-day pre-petition preference period (the "**Preference Action**"). The Preference Action is currently pending before the Court.

IV. SUMMARY OF THE PLAN

A. Plan Overview.

Debtor's Plan provides for the creation of a Liquidating Trust (the "**McGlamry**

Liquidating Trust") and the appointment of a Plan Trustee (the "**Plan Trustee**") to administer the Trust. Debtor has selected Ward Stone, Esquire, a prominent, well-known bankruptcy lawyer in the Middle District of Georgia, as the Plan Trustee. Essentially, all of Debtor's assets other than those in which he holds an exemption under Georgia law and those which have been, or are being transferred to secured creditors in satisfaction of the secured claims of these creditors, will be transferred to the McGlamry Liquidating Trust and will be liquidated by the Plan Trustee and the proceeds distributed to creditors. The Trustee will also have the power to pursue any causes of action provided for under the bankruptcy code or state law against third parties (the **Avoidance Actions**").² Finally, Debtor will make certain payments to the McGlamry Liquidating Trust of his disposable income over a period of three years from the Effective Date of the Plan. These payments will also be distributed to creditors by the Trustee.³

It is contemplated that companion Plans will be filed by USA Land and Eagle Springs.⁴ These Plans will deal with the assets and liabilities of these two affiliates. The resulting deficiency claims, if any, of creditors of those companies whose debts were personally guaranteed by Debtor will receive distributions from the McGlamry Liquidating Trust on account of those claims.

Debtor's Plan provides for the satisfaction of all allowed domestic support obligations and administrative claims on the Effective Date or as soon as practicable thereafter. As to each administrative claim allowed thereafter, payment will be made as soon as practicable. Debtor's Plan also provides for the satisfaction of all priority tax indebtedness either in cash or over a five year period in installments with interest as provided in 11 U.S.C. § 1129, except for the ad valorem taxes associated with any property which is transferred to a lender (such as Synovus) in satisfaction of a secured claim. There are no known tax and priority claims other than administrative expense claims and the ad valorem taxes for 2011 and 2012 discussed below.

Debtor has a domestic support obligation which arises out of his court-awarded custody of his granddaughter, a minor under the laws of Georgia. Debtor is current on all of his support obligations to his granddaughter and proposes in the Plan to satisfy these obligations in the ordinary course of his post-confirmation

² As discussed below, Debtor believes that Avoidance Action recoveries will be nominal. The Plan Trustee's Avoidance Action powers do not extend to avoiding transactions relating to the WP Trust Note, the Morrone Property or the Conner Property.

³ Under certain circumstances as set forth in the Plan, the payment period may be extended.

⁴ It is contemplated that all or most of the pending Chapter 11 cases of the other twelve companies comprising the McGlamry Affiliates will be dismissed either before or at confirmation of this Plan. It is contemplated that all of the properties of these debtors, to the extent the properties are Synovus' collateral, will be transferred to Synovus by deed-in-lieu of foreclosure, and a credit will be applied to the indebtedness owed to Synovus by each such debtor.

business and financial affairs.

Respecting the treatment of Synovus, Debtor's Plan provides for a transfer of all of Synovus' collateral to Synovus in exchange for a credit against Synovus' unsecured claim in the amount of the fair market value of the property transferred.⁵ The Plan further provides that the fair market value would be either agreed to by Synovus and Debtor or determined by the Court during the confirmation proceedings. The resulting deficiency claim would be Synovus' allowed unsecured claim which would be paid out of distributions made by the Trustee from the proceeds of the McGlamry Liquidating Trust.

Regarding other creditors, Debtor has no other secured claims, and besides vendor indebtedness, Debtor's only other creditors are personal guarantees of the indebtedness of the McGlamry Affiliates and other entities which are partially owned by McGlamry. The major claimants are State Bank, Colony, Certus, BB&T, Key, and Wells Fargo. All of these claims are based on unsecured personal guarantees of secured loans made by one or more of the McGlamry Affiliates or other entities which are partially owned by McGlamry. Once the deficiency claims are determined, either by agreement or by the Bankruptcy Court, each of these creditors would have allowed unsecured claims which would be paid out of the McGlamry Liquidating Trust.

B. Plan Treatment of Creditor Claims.

1. Claims of Synovus Bank.

As explained above, as of the Petition Date, Synovus held a first priority security interest in Debtor's Russell Parkway property. The Russell Parkway property secured a loan in the amount of \$5.559 million. Debtor believes that the Russell Parkway property is worth approximately \$700,000.00 less than the indebtedness owed to Synovus. Under the Plan and on the Effective Date of the Plan, Debtor will convey all of his right title and interest in the Russell Parkway property to Synovus in full satisfaction of Synovus secured claim.⁶

Debtor also owes Synovus approximately \$4.5 million on an obligation relating to his interest in a non-Debtor entity known as Oaky Timberlands, LLC ("Oaky Timberlands"). This indebtedness is unsecured as it relates to Debtor, but it is secured by a security interest in certain real property owned by another non-Debtor entity in which Oaky Timberlands owns a one-quarter interest. While Debtor

⁵ See Footnote 4.

⁶ Synovus' judgment lien against Debtor's property has been released by consent order entered by the Court in the Preference Action.

believes that the real property is quite valuable, it is uncertain at this time as to what Oaky Timberland's one-quarter interest is worth. Accordingly, Debtor proposes in his Plan to transfer this interest to the Plan Trustee for liquidation and payment of any proceeds to unsecured creditors.⁷

The only other claim Synovus holds against Debtor is its unsecured claim for the deficiency resulting from the conveyance of the Russell Parkway property discussed above, any deficiency arising from the Oaky Timberlands indebtedness plus the deficiencies resulting from the transfer of all of the Synovus collateral owned by the McGlamry Affiliates.⁸ These deficiencies together with the deficiency resulting from the Russell Parkway conveyance will either be determined by agreement of Synovus and Debtor or by the Court during the Plan Confirmation proceeding. Debtor believes that the aggregate deficiency indebtedness owed by Debtor on account of the Russell Parkway property and his personal guarantee of the indebtednesses of the McGlamry Affiliates will approximate \$15 million.

Under the Plan, Synovus will share prorata with other unsecured creditors in the proceeds from the McGlamry Liquidating Trust.

2. Claims of all other Unsecured Creditors.

As indicated above, all of Debtor's other creditors are unsecured. These claims arise either through a direct obligation owed by Debtor or by virtue of a personal guarantee signed by Debtor in which he personally guaranteed the indebtedness of the McGlamry Affiliates or other entities in which Debtor holds an interest.

Regarding the personal guarantee indebtedness, any deficiency owing these creditors will either be determined by agreement of the creditor and Debtor or by the Court during the Plan Confirmation proceeding. On the date the Petition was filed, Debtor was obligated to the following creditors on personal guarantees: State Bank, SunMark, Colony, Certus, BB&T, Key Bank, and Wells Fargo. In addition, Debtor had direct obligations to various vendors and other unsecured creditors. Excluding any debt where the primary obligor continues to perform and excluding any debt which has been paid post-petition or is uncollectible, as well as including credit for collateral pledged related to the guaranty debts, Debtor believes that the aggregate unsecured indebtedness to all of these creditors will approximate \$20,000,000.00

⁷ See Section IV, Summary of Plan (Funding of Plan, section 4b) for a further discussion.

⁸ During the pendency of Debtor's Chapter 11 case, Debtor auctioned off certain properties owned by Lake Joy, Hawkinsville and Jaros pursuant to Court Order. These properties were purchased by Synovus for a credit bid of \$3.4 million. In addition, Lake Joy transferred a note and mortgage held by it and was given further credit of \$725,000.00. Both of these sums have been credited against the indebtedness owed by Debtor on his personal guarantee.

Under the Plan, these unsecured creditors will share prorata with Synovus in the proceeds from the McGlamry Liquidating Trust.

3. Interests.

Because Debtor is an individual rather than a corporation or limited liability company, there is no equity interest similar to stock or LLC membership interests to be dealt with under the Plan. As indicated above and in the discussion below on funding, McGlamry will not be retaining any interest in his properties other than his interest in property which is exempt under the Georgia homestead statute. **Exhibit "B"** contains a listing of the assets in which Debtor claims an exemption, including Debtor's valuation of such assets.

F. Funding for the Plan

All of McGlamry's non-exempt assets will be transferred into the McGlamry Liquidating Trust on the Effective Date of the Plan. Below is a summary of these assets:

1. Promissory Note from "The McGlamry Irrevocable Wealth Preservation Trust."

McGlamry's largest asset is a promissory note in the original principal amount of \$3,696,300.00 dated August 1, 2011 (the "**WP Trust Note**"). The maker of the WP Trust Note is "The McGlamry Irrevocable Wealth Preservation Trust" (the "**WP Trust**"). The Trust Note accrues interest at the rate of 3.86 %, and all principal and interest due under the Trust Note is currently payable on July 31, 2031. The Trust Note is currently secured by a security interest in the Trust's 99.9 % partnership interest in GSL Investment Holdings, LLLP which owns real estate and various other entities which in turn own unimproved real estate, and other assets. A portion of the face amount of the Trust Note is personally guaranteed by McGlamry's daughter, Ms. Lisa McGlamry Newton. Ms. Newton is also the Trustee of the Trust.

It is McGlamry's belief that the unimproved real estate's value, less encumbrances, approximates the face amount of the Trust Note. If the Plan is confirmed, McGlamry has agreed to assign all of his right, title and interest in the Trust Note to the McGlamry Liquidating Trust, and the Trustee of the Trust and McGlamry have agreed to modify the terms of the Trust Note as follows:

- a. The Trust Note would become a non-recourse note.
- b. The principal amount of the Trust Note would be increased to include all accrued interest to the Effective Date of the Plan.

c. Interest accruing after the Effective Date of the Plan would be payable by the Trust on the first day of the third month following the Effective Date of the Plan and on the first day of each third month thereafter.

d. All unpaid principal and interest under the Trust Note would due and payable two and one-half years after the Effective Date.

e. The Trust Note would be secured by a security deed encumbering all of the real property owned by the various entities which are in turn owned by the Trust and all of the real estate owned directly by the Trust.

The Plan Trustee would be authorized to release real property parcels from the deed to secure debt from time to time upon payment by the Trustee of the WP Trust of release prices provided for in the Plan. Schedule 5.4 to the Plan contains a listing of the release prices.

Attached hereto as **Exhibit "C"** is a listing of all assets directly or indirectly owned by WP Trust and Debtor's estimate of their respective values.

2. McGlamry's Interest in the McGlamry Affiliates.

As discussed above, at the time his Petition was filed, McGlamry filed fourteen other Chapter 11 cases for the McGlamry Affiliates. Other than, USA Land and Eagle Springs, these cases are "single asset real estate cases," as that term is defined in Section 101(51B) of the Bankruptcy Code. With the exception of Lake Joy, all of the asset(s) of each of the eleven other single asset real estate cases are pledged to Synovus. Under the Plan, or prior to confirmation of the Plan by consent of the parties, all of the assets in these twelve entities will be transferred to Synovus in exchange for a credit against the guaranteed indebtedness of McGlamry, USA Land and Eagle Springs. Once the transfers are accomplished the twelve Chapter 11 cases will be dismissed. Since these entities will no longer have any assets, McGlamry's interest in such entities will likewise be zero.

Regarding Lake Joy, as indicated elsewhere in this Disclosure Statement, prior to the filing of the Plan, Synovus purchased the property owned by Lake Joy which was subject to Synovus' security interest. The remaining asset consists of six lots pledged to SunMark. McGlamry, Lake Joy, and Synovus have agreed that Lake Joy may sell the six lots, and that the proceeds therefrom after payment in full of SunMark, will be split evenly between Lake Joy and Synovus. Following the sale of the six lots, the Lake Joy Chapter 11 case will be dismissed. Lake Joy's share of the proceeds will be distributed to McGlamry and will become part of the Bankruptcy Estate to be dealt within the Plan. As in the case of the eleven single asset real estate case, Lake Joy will no longer have any assets, and McGlamry's interest in

lake Joy will likewise be zero.

3. McGlamry's Interest in USA Land and Eagle Springs.

Separate Plans will be filed for USA Land and Eagle Springs. These Plans will provide that McGlamry's equity interest in these two companies will be cancelled as and when their Plans are confirmed.

4. McGlamry's Interest in other Assets.

The following is a list of other assets which McGlamry owned at the time his Petition was filed and the disposition of such assets under McGlamry's Plan:

a. Cash. Cash in the bankruptcy estate will be used to pay administrative expenses and also, to the extent authorized by applicable law, will be exempted by McGlamry under the Georgia Exemption Statute. Any cash remaining after payment of administrative expenses and not exempted will be transferred to the McGlamry Liquidating Trust. Beginning on the Effective Date of the Plan, all of McGlamry's projected disposable income as defined in Section 1325(b)(2) of the Bankruptcy Code will be payable to the McGlamry Liquidating Trustee monthly for a period of three years.

b. Interest in Oaky Timberlands, LLC. McGlamry's interest in Oaky Timberlands, LLC, which in turn owns a one-quarter interest in each of Oaky Woods Properties, LLC and Oaky Woods Developers, LLC, will be transferred to the McGlamry Liquidating Trust on the Effective Date of the Plan. Oaky Woods Properties, LLC and Oaky Woods Developers, LLC own unimproved timber lands in Houston County. Although these properties are valuable, it is uncertain as to whether McGlamry's one-quarter interest through his wholly owned limited liability company is worth more than the \$4.5 million owed to Synovus and which is secured by the timberlands. McGlamry has guaranteed the \$4.5million owed to Synovus.

c. Interest in Seville South Partners, L.P. McGlamry owns 99.6 % of Seville South Partners, L.P. This limited partnership owns the Sandpiper apartments located in Warner Robins, Houston County, Georgia. The apartments are currently valued at approximately \$19 million. They are encumbered by a first mortgage indebtedness of approximately \$15.7 million.

Any sale of the apartments or change of control would trigger a pre-payment penalty which has been computed at approximately \$3.5 million, and an income tax liability for McGlamry or a Trustee of approximately \$3.5 million.⁹ In addition, it is

⁹ The large tax liability is due to the extremely low basis which McGlamry has in his interest in the partnership.

estimated that brokerage fees would approximate \$1 million. Accordingly, there is no equity in Seville South Partners, L.P. for the benefit of creditors. McGlamry has claimed an exemption in his interest in this company.

d. Interest in Coldwater Creek Apartments, LLC. McGlamry owns 52 % of Coldwater Creek Apartments, LLC. Certain family members and related entities own the remaining 48 % of this company.¹⁰ This limited liability company owns the Coldwater Apartments located in Warner Robins, Houston County, Georgia.

McGlamry believes that the Coldwater Apartments are worth approximately \$23 million. The apartments are encumbered by a first mortgage indebtedness of approximately \$16.6 million.

Any sale of the apartments or change of control would trigger a pre-payment penalty which has been computed at approximately \$4.6 million. In addition, brokerage and selling expenses are estimated to be approximately \$1.2 million. Thus, McGlamry's share of the net proceeds of sale would be about \$300,000.00. However, his (or a Trustee's) income tax liability would approximate \$1.3 million.¹¹

Accordingly, there is no equity in Coldwater Creek Apartments, LLC for the benefit of creditors. In addition, under the limited liability company's operating agreement, any sale of McGlamry's interest in the company is subject to approval by the holders of the 48 % minority interest, which approval Debtor believes will likely not be forthcoming. Current bankruptcy law appears to support the enforceability of such an operating agreement provision.

McGlamry has claimed an exemption in his interest in this company.

e. Interest in Seville Partners, L.P. McGlamry owns 20.8 % of Seville Partners, L.P. Certain family members and related entities own the remaining 79.2 % of this company. This limited partnership owns the World Storage facility located in Warner Robins, Houston County, Georgia.

McGlamry believes that the World Storage Facility is worth approximately \$3.05 million. It is encumbered by a first mortgage indebtedness of approximately \$1.4 million.

¹⁰ The 48 % ownership was originally held by family members in another real estate investment. This investment was exchanged for the same interest in Coldwater Creek Apartments, LLC several years ago pursuant to a tax free exchange.

¹¹ The large tax liability is due to the low basis which McGlamry has in his interest in the partnership and the fact that his capital account is overdrawn by over \$4.5 million due disproportionate distributions to McGlamry from the company.

Any sale of the World Storage facility or change of control would trigger a pre-payment penalty which has been computed at approximately \$226,000.00 and an income tax liability for McGlamry or a Trustee of approximately \$133,000.00.¹² In addition, under the limited liability company's operating agreement, any sale of McGlamry's interest in the company is subject to approval by the holders of the 79.2 % minority interest, which approval Debtor believes will likely not be forthcoming. Current bankruptcy law appears to support the enforceability of such a partnership agreement provision. Finally, McGlamry has an overdrawn capital account which is due to his having taken substantially more distributions from the company than he was otherwise entitled. Therefore, it is unlikely any buyer of his interest would not receive any distributions from the company for many years.

Accordingly, McGlamry believes that his interest in this limited liability company is unsaleable and that there is no equity therein for the benefit of creditors.

McGlamry has claimed an exemption in his interest in this company.

f. Interest in American Sand Co., L.L.C. McGlamry owns 90 % of American Sand Co., L.L.C. His son-in-law, Keith Newton, owns the remaining 10 %. The company owns a sand plant in Peach, County, Georgia. It is a start-up company which has not yet generated any appreciable revenues. The assets of American Sand Co., L.L.C. are pledged to Planters Bank to secure an outstanding loan of approximately \$3,700,000.00. The company has an interest reserve which will cover interest payments and overhead through the end of 2012. It is uncertain whether the company will generate enough business after that time to pay overhead expenses and debt service.

McGlamry believes that his interest in American Sand Co., L.L.C. is valueless and unsaleable. He has claimed an exemption in his interest in this company.

G. Other Plan Provisions

1. Executory Contracts.

Debtor will reject all executory contracts and unexpired leases not previously assumed or rejected. All claims arising from the rejection of said executory contracts and unexpired leases shall be treated as general unsecured claims.

2. Discharge.

¹² The large tax liability is due to the extremely low basis which McGlamry has in his interest in the partnership and the fact that his capital account is overdrawn by over \$1.6 million due to disproportionate distributions to McGlamry from the company.

In accordance with the provisions of Section 1141(d)(5) of the Bankruptcy Code, Debtor will receive a discharge of all indebtedness of every kind and nature that may be discharged under the Bankruptcy Code upon completion of all payments provided for under the Plan.¹³

THE ABOVE SUMMARY IS A BROAD OUTLINE OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH HAS BEEN FILED CONTEMPORANEOUSLY HEREWITH.

V. DISCUSSION OF BEST INTEREST OF CREDITORS: TREATMENT IN A CHAPTER 11 VS. CHAPTER 7

Another confirmation requirement is the "Best Interest Test," which requires a liquidation analysis. Under the Best Interest Test, if a claimant or interest holder is an impaired class and that claimant or interest holder does not vote to accept the Plan, then that claimant or interest holder must receive or retain under the Plan property of a value not less than the amount that such holder would receive or retain if the debtor were liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the debtor's assets are usually sold by a Chapter 7 trustee. Secured creditors are paid first from the sales proceeds of properties on which the secured creditors hold liens. Administrative claims are paid next. Then unsecured creditors are paid from any remaining sales proceeds according to their rights to priority. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the amount of total allowed unsecured claims. Finally, interest holders receive the balance that remains, if any, after all creditors are paid.

For the Court to be able to confirm this Plan, the Court must find that all creditors and interest holders who do not accept the Plan will receive at least as much under the Plan as such holders would receive under a Chapter 7 liquidation.

In this case, McGlamry's major asset is the Trust Note. In a Chapter 7 liquidation, the Trust Note would become part of the bankruptcy estate just as it is in the Chapter 11. However, there is no assurance that the Trustee of the WP Trust would voluntarily agree to secure the Trust Note with the real property or modify the terms of the note as will be done in this Chapter 11 case.

Regarding the disposition of other properties, in a Chapter 7 case, McGlamry

¹³ For the purposes of Debtor's Plan, payments shall mean the transfers of property and property interests to the McGlamry Liquidating Trust and payments of net disposable income by Debtor to the McGlamry Liquidating Trust.

would be entitled to the same exemptions as he is entitled in a Chapter 11 case. All of the non-exempt assets, on the other hand, will be transferred to the McGlamry Liquidating Trust so that creditors will receive the same treatment under the Plan as they would in a Chapter 7 case.

Finally, under the 2005 amendments to the Bankruptcy Code, McGlamry's post-petition disposable income must be contributed to creditors under the Plan. This treatment of post-petition income is not available in a Chapter 7 case, and accordingly, creditors will receive more regarding post-petition income than they would in a Chapter 7.

From this analysis, McGlamry suggests that creditors will receive more under his Chapter 11 Plan than they would if the case was converted to a Chapter 7.

McGlamry references and incorporates Article IV, Section F of this Disclosure Statement, as if set forth in its entirety herein, as a liquidation analysis (the "Liquidation Analysis") demonstrating the basis for Debtor's belief as stated herein that the Plan is in the best interest of his creditors. Debtor's only parcel of real property is being surrendered to the secured creditor with an interest in said property. All of McGlamry's non-exempt assets are being transferred to the McGlamry Liquidating Trust. All of McGlamry's ownership interests in non-exempt business entities other than USA Land and Eagles Springs are valueless. McGlamry's ownership interests in USA Land and Eagles Springs are being cancelled pursuant to their respective Chapter 11 plans.

Since the Liquidation Analysis has not been audited or reviewed by an independent public accountant, no opinion or any other form of assurance as to its accuracy is expressed. The Liquidation Analysis reflects the Debtor's estimate of the value that may be realized by Debtor's estates and the potential recoveries that may be available to holders of allowed claims and allowed equity interests if the Debtor's assets were liquidated and the proceeds distributed in accordance with Chapter 7 of the Bankruptcy Code. Underlying the Liquidation Analysis is a number of estimates and assumptions that, although developed and considered reasonable by the Debtor, are subject to inherent economic and competitive uncertainties and contingencies beyond the control of the Debtor, and are based upon assumptions with respect to liquidation decisions that are subject to change. Accordingly, there can be no assurance that the values and costs reflected in the Liquidation Analysis would be realized if the Debtor's assets were, in fact, to undergo such a liquidation.

For purposes of the Liquidation Analysis, it is assumed hypothetically that a plan of reorganization could not ultimately be confirmed at the confirmation hearing and, on or about that date, the Chapter 11 cases are converted to Chapter 7 cases. In connection with the hypothetical commencement of the Chapter 7 cases, it is

assumed that the role of the Debtor terminates on or about the hypothetical conversion date and a Chapter 7 trustee is appointed to, among other things, manage the liquidation process and distribute the liquidation proceeds ultimately realized in accordance with the priorities established by the Bankruptcy Code. In such a case, the Chapter 7 trustee would have to consider, and ultimately pursue, one or more recovery strategies other than the Plan.

The classification and dollar amounts of estimated allowed claims incorporated within the Liquidation Analysis are subject to modification pending further analysis and the receipt of additional information with respect to such claims. Potential recoveries resulting from alleged preference claims are not addressed in the Liquidation Analysis.

VI. FINANCIAL INFORMATION

Attached as **Exhibit "D"** is a Pro Forma for the term of the Plan which details the income and expenses of the Reorganized Debtor in order to show the Reorganized Debtor's disposable income which will be paid to the Trustee for the McGlamry Liquidating Trust.

VII. ANALYSIS OF CLAIMS AND APPROXIMATE DISTRIBUTIONS TO CREDITORS UNDER THE PLAN

A. Projected Administrative Expenses

Debtor provides the following as an estimate of administrative expenses incurred and to be incurred in connection with confirmation of the Plan and closing of the Bankruptcy Estate:

Bankruptcy Counsel fees and expenses \$ _____¹⁴

¹⁴ Counsel for Debtor estimates that its total fees and expenses for representing the Debtor and Debtor in Possession in this Chapter 11 case will be approximately \$_____. To date approximately \$_____ has been incurred for legal fees and expenses. Of this amount, approximately \$_____ was held in escrow to be applied against current amounts owing to Debtor's counsel for fees incurred through _____, pursuant to Orders of the Court. Said funds in the case were depleted once fees through _____ were applied pursuant to the Order approving payment of professionals in this case. Debtor paid an additional \$_____ towards fees prior to the date of this Disclosure Statement. The remaining \$_____ (estimated) is for fees from _____ through and including the closing of the Case after Confirmation, as well as any fees earned through _____, but not covered by the amount held in escrow and payments made by Debtor, as of _____.

CPA fees and expenses	\$ _____ ¹⁵
Business Valuation Consultant fees and expenses	\$ _____
US Trustee's Fees	\$ _____
Plan and Disclosure Statement printing and mailing	\$ _____
Other miscellaneous administrative expenses	\$ _____
Total administrative expenses incurred in connection with confirmation and closing	\$ _____

B. Projected Priority Claims

Debtor knows of no other allowable priority claims other than administrative claims, as analyzed in Section A. Debtor asserts that he is not liable for any ad valorem taxes related to the property transferred or to be transferred to Synovus pursuant to 11 U.S.C. § 502(b)(3).

C. Analysis of Claims Payments

Other than the transfer of the real property to Synovus, all claims will be paid by the Plan Trustee, at the Plan Trustee's discretion pursuant to the terms of the McGlamry Liquidating Trust Agreement.

VIII. LITIGATION; BANKRUPTCY CAUSES OF ACTION; AND RECOVERY OF ASSETS

Debtor knows of no avoidance claims or other litigation which would yield any appreciable recovery for creditors. However, under Debtor's plan, except for certain claims relating to the WP Trust, the Morrone Property and the Conner Property, the Plan Trustee will be vested with authority to pursue any such claims.

¹⁵ Debtor's certified accountants, Nichols, Cauley & Associates, LLC has already billed approximately \$ _____, which has been paid for during the pendency of the case. As the case nears Confirmation, Debtor anticipate that his certified public accounts' role will increase to handle matters related to the Chapter 11 Plan. The \$ _____ (estimated) is for fees from _____ through and including the closing of the Cases after Confirmation.

IX. INFORMATION RELEVANT TO THE RISKS POSED TO CREDITORS UNDER THE PLAN

The only significant risk for creditors under the Plan is that the WP Trust defaults under its obligations under the Trust Note, and the McGlamry Liquidating Trustee has to foreclose the Trust Note Collateral. In such event, there is the unavoidable risk that the real property collateral may not bring an amount equal to the principal and interest then due under the Trust Note.

X. FEDERAL AND STATE TAX IMPLICATIONS TO CREDITORS

Debtor does not believe that there are any adverse federal and state tax implications to creditors by virtue of the treatment of their claims under the Plan, except to the extent that any creditor has written off all or a portion of its claim against Debtor as a bad debt.

In any event, creditors are well advised to consult their tax advisors as to whether the Plan provides any individual adverse tax implications.

XI. CONCLUSION

Debtor submits that his Plan provides for an orderly and expeditious payment of his indebtedness to creditors. Debtor further submits that the alternative of a Chapter 7 liquidation does not appear to Debtor as a viable method of maximizing recovery to creditors in this case.

[SIGNATURES ON FOLLOWING PAGE]

Respectfully submitted this 24th day of August, 2012.

/s/ Charlie N. McGlamry

Charlie N. McGlamry
Debtor

COHEN POLLOCK MERLIN & SMALL, P.C.
Counsel for Debtor

By: /s/ Gus H. Small

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EXHIBIT "A" TO DISCLOSURE STATEMENT

Description of the Real and Personal Property Owned by McGlamry and each of the McGlamry Affiliates.

USA Land is a Georgia corporation, which is wholly owned by McGlamry. USA Land is the owner of platted, unplatted and partially developed lots in the Georgian Mill subdivision at "The Woodlands of Houston" located north of Highway 127 between Moody Road and Old Perry Road in Houston County, Georgia. USA Land is also the entity McGlamry uses for the development of real estate.

Barrington is a Georgia corporation, which is wholly owned by McGlamry. Barrington is the owner of platted and unplatted lots, partially developed lots, and approximately 500 acres of land for the future phases of "The Woodlands of Houston" subdivision located north of Highway 127 between Moody Road and Old Perry Road in Houston County, Georgia.

Bear Branch is a Georgia limited liability company, which is wholly owned by McGlamry. Bear Branch is the owner of undeveloped land off Langston Road and east of Highway 41 in Houston County, Georgia.

By-Pass is a Georgia limited liability company, which is wholly owned by McGlamry. By-Pass is the owner of commercial and residential undeveloped land off the Perry By-Pass and Kings Chapel Road in Houston County, Georgia.

Chinaberry is a Georgia limited liability company, which is wholly owned by McGlamry. Chinaberry is the owner of approximately 177 acres of undeveloped land at the end of Hill Road south of Highway 341 in Houston County, Georgia.

Eagle Springs is a Georgia limited liability company, which is wholly owned by McGlamry. Eagle Springs is the owner of approximately 51 acres of commercial properties at the intersections of Gunn Road and Houston Lake Road, and Gunn Road and Hwy 41 in Houston County, Georgia.

Elmdale is a Georgia limited liability company, which is wholly owned by McGlamry. Elmdale is the owner of approximately 119 acres of undeveloped land located south of Highway 96 near Cartwright Drive in Houston County, Georgia.

Gurr-Kings is a Georgia limited liability company, which is wholly owned by McGlamry. Gurr-Kings is the owner of approximately 110 acres of land located at the southeast corner at Kings Chapel Road and Gurr Road in Houston County, Georgia.

Jaros is a Georgia limited liability company, which is wholly owned by McGlamry. Jaros is the owner of the developed and undeveloped land in the Carlton Ridge South and The Terraces subdivisions located south of Feagin Mill Road near Highway 41 in Houston County, Georgia.

Lake Joy is a Georgia limited liability company, which is wholly owned by

McGlamry. Lake Joy owns platted lots and undeveloped land for the future phases of "The Tiffany" subdivision located south of Feagin Mill Road between Highway 41 and Lake Joy Road in Houston County, Georgia.

Hawkinsville is a Georgia limited liability company, which is wholly owned by McGlamry. Hawkinsville is the owner of platted, unplatted and partially developed lots in The Cottages and Charlestown subdivisions located south of Sandy Run Road between Highway 247 and Old Hawkinsville Road in Houston County, Georgia. Additionally, Hawkinsville is also the owner of approximately 86 acres of future development property for the extension of The Cottages and Charlestown subdivisions.

South Houston is a Georgia limited liability company, which is wholly owned by McGlamry. South Houston is the owner of undeveloped property located west of Houston Lake Road and Thistlewood subdivision in Houston County, Georgia.

Village is a Georgia limited liability company, which is wholly owned by McGlamry. Villages is the owner of approximately 600 acres of agricultural property located at Highway 341, Arena Road, and Highway 247 in Houston County, Georgia.

Houston-Peach is a Georgia limited liability company, which is wholly owned by McGlamry. Houston-Peach is the owner of approximately 337 acres of farm land on Highway 49 in Peach County, Georgia.

EXHIBIT "B" TO DISCLOSURE STATEMENT

**Listing of the Assets in which Debtor Claims an Exemption,
including Debtor's Valuation of such Assets**

B6C (Official Form 6C) (4/10)

In re Charlie N. McGlamry

Case No. 12-51197

Debtor

SCHEDULE C - PROPERTY CLAIMED AS EXEMPT - AMENDED

Debtor claims the exemptions to which debtor is entitled under:

(Check one box)

11 U.S.C. §522(b)(2)

11 U.S.C. §522(b)(3)

Check if debtor claims a homestead exemption that exceeds \$146,450. (Amount subject to adjustment on 4/1/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.)

Description of Property	Specify Law Providing Each Exemption	Value of Claimed Exemption	Current Value of Property Without Deducting Exemption
<u>Real Property</u>			
Charlie N. McGlamry Life Estate 105 Orchard Drive Centerville, GA	O.C.G.A. § 44-13-100(a)(1)	16,500.00	Unknown
<u>Household Goods and Furnishings</u>			
Household Furnishings	O.C.G.A. § 44-13-100(a)(4)	4,500.00	4,500.00
<u>Wearing Apparel</u>			
Clothing	O.C.G.A. § 44-13-100(a)(4)	500.00	500.00
<u>Furs and Jewelry</u>			
Jewelry, watch, necklace	O.C.G.A. § 44-13-100(a)(5)	500.00	500.00
<u>Interests in Insurance Policies</u>			
Universal life insurance policy with Woodmen of the World	O.C.G.A. § 44-13-100(a)(9)	2,000.00	4,234.76
<u>Interests in IRA, ERISA, Keogh, or Other Pension or Profit Sharing Plans</u>			
Retirement accounts/pension funds with Columbia Management	11 U.S.C. § 522(b)(3)(C)	0.03	0.03
<u>Stock and Interests in Businesses</u>			
100% Ownership interest in McGlamry Properties	O.C.G.A. § 44-13-100(a)(6)	1,200.00	1.00
52% Ownership in Coldwater Creek Apartments, LLC	O.C.G.A. § 44-13-100(a)(6)	1,100.00	1.00
<u>Interests in Partnerships or Joint Ventures</u>			
20.8% Ownership interest in Seville Partners, LP	O.C.G.A. § 44-13-100(a)(6)	1,100.00	1.00
99.60% Ownership interest in Seville South Partners, LP	O.C.G.A. § 44-13-100(a)(6)	1,100.00	1.00
80% Ownership interest in American Sand Co., LLC	O.C.G.A. § 44-13-100(a)(6)	1,100.00	1.00
<u>Automobiles, Trucks, Trailers, and Other Vehicles</u>			
1999 Lincoln Towncar (not running)	O.C.G.A. § 44-13-100(a)(3)	3,500.00	3,500.00

Total: 33,100.03 13,239.79

0 continuation sheets attached to Schedule of Property Claimed as Exempt

EXHIBIT "C" TO DISCLOSURE STATEMENT

Listing of all Assets Directly or Indirectly Owned by WP Trust and Debtor's Estimate of their Respective Values

The WP Trust directly owns 99.9% of GSL Investment Holdings, LLLP.

Property owned by GSL Investment Holdings, LLLP and its subsidiaries:

A. Property held directly by GSL Investment Holdings, LLLP

1. 0.29 acres of raw land on Brooksdale Drive, known as Lot 14 Block F of Hill & Dale Estates Section 4 in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$1,000.
2. 3.64 acres of raw land on the west side of Corder Road immediately south of Skyway Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$107,950.
3. 261 square feet of raw land on the west side of Corder Road north of Russell Parkway in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$1,000.
4. 2.4 acres of raw land on the north side of Gunn Road immediately east of the Peach County line in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$24,000.
5. 28.25 acres of land with an approximately 1,300 square foot building on the west side of GA Highway 247 south of Industrial Park Drive and north of Sandy Run Road in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$360,400. This property is jointly owned by GSL Investment Holdings, LLLP with Deborah C. Mason.
6. 8.19 acres of raw land at the end of Idle Cove Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$31,450.
7. 5.92 acres of raw land at the end of Leisure Lake Drive south of McLean Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$22,950.
8. 20.8 acres of raw land on the east side of Moody Road south of Woodard Road and immediately across Moody Road from Country Lane. in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$106,250.
9. 1.62 acres of raw land on the west side of Eagle Springs Drive south of Nantucket Island and immediately across Eagle Springs Drive from Eagle Harbor Island in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$20,000.
10. 321 acres of raw land on the west side of the Ocmulgee River and east of the Landings Golf Club in Houston County, Georgia. The Debtor believes

the property to have a value of approximately \$138,000.

11. 16.7 acres of raw land on the east side of GA Highway 247 and one parcel north of Old Hawkinsville Road in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$118,800.
12. 2.28 acres of land with an approximately 4,500 square foot building at the northwest corner of the intersection of GA Highway 247 and Old Hawkinsville Road in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$75,000.
13. 0.46 acres of raw land at the northwest corner of the intersection of Corder Road and Russell Parkway in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$5,000.
14. 18.23 acres of raw land on the north side of Stathams Way immediately across from Bear Lake Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$116,450.
15. 16.53 acres raw land on the east side of Old Hawkinsville Road south of Stathams Way and north of Forrest Mill Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$140,250.
16. 435 square feet of raw land on the south side of Watson Boulevard at the eastern intersection of Radio Loop and Watson Boulevard in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$1,000.
17. 0.24 acres of land and house located at 102 Brooksdale Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$47,600.
18. 0.2 acres of land and house located at 106 Montrose Lane in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$103,700.
19. 0.23 acres of raw land located at 111 Brooksdale Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$2,550.
20. 0.23 acres of raw land located at 115 Brooksdale Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$2,550.
21. 0.23 acres of raw land located at 117 Brooksdale Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$2,550.
22. 0.27 acres of land and house located at 125 Ridgedale Drive in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$55,250.
23. 0.25 acres of land and house located at 214 Tivoli Park Road in Houston

County, Georgia. This property was sold by GSL Investment Holdings, LLLP to Faye S. Martin and Elaina H. Ramey on August 21, 2012 for \$125,000. Synovus Bank held a security deed on the property. Accordingly, the net proceeds from the sale were disbursed to Synovus Bank and Debtor did not retain any of the sale proceeds.

24. 6.95 acres of raw land located at 2409 Moody Road in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$59,075.
25. 0.65 acres of raw land located at 502 Corder Road in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$33,150.
26. 116.12 acres of raw land located at 4280 Sardis Church Road in Bibb County, Georgia. The Debtor believes the property to have a value of approximately \$493,850.
27. 63.2 acres of land and house located at 3619 Walden Road in Bibb County, Georgia. The Debtor believes the property to have a value of approximately \$267,750.
28. 324.8 acres of raw land located in Wilcox County, Georgia. The Debtor believes the property to have a value of approximately \$221,000.
29. 1.0 acres of land and a house located in Wilcox County, Georgia. The Debtor believes the property to have a value of approximately \$3,300.
30. 33 1/3% of the issued and outstanding stock of AAA Asphalt Products, Inc. The Debtor believes the stock owned by GSL Investment Holdings, Inc. to have a value of approximately \$50,000.
31. 100% membership interest in Nelson Partners, LLC. The properties owned by Nelson Partners, LLC and values are discussed below.
32. 100% membership interest in Lake Joy Village, LLC. The properties owned by Lake Joy Village, LLC and values are discussed below.
33. 100% membership interest in Norfolk Timber Investments, LLC. The properties owned by Norfolk Timber Investments, LLC and values are discussed below.

B. Property held directly by Nelson Partners, LLC

1. Three tracts of raw land totaling 20.99 acres located on the east side of Nelson, west of Mill Chase Way, north of Skyway Drive and Springhill Drive, and south of Terrykay Circle in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$107,100.

C. Property held directly by Lake Joy Village, LLC

1. Three tracts of raw land totaling 17.32 acres at the end of Merry Way in Houston County, Georgia. The Debtor believes the property to have a value of approximately \$80,750.

D. Property held directly by Norfolk Timber Investments, LLC

1. Two tracts of raw land totaling 1,954.58 acres and 0.23 acres of land and a cellular telephone tower located on the north side of Wimberly Road east of US Highway 341 in Houston County, Georgia. These tracts have been pledged to Votorantim Cimentos North America, Inc. pursuant to the settlement discussed in Section III.A.2.e. of the Disclosure Statement. The Debtor believes the property to have a value of approximately \$1,000,000 subject to the security deed held by Votorantim Cimentos North America, Inc.

EXHIBIT "D" TO DISCLOSURE STATEMENT

Pro Forma Showing Reorganized Debtor's Disposable Income

**SCHEDULE OF HOUSEHOLD
CASH RECEIPTS AND CASH DISBURSEMENTS
3 YEAR PROJECTION FOR OCTOBER 2012-
SEPTEMBER 2015**

	1 Month Projection - Year 1	Projection Year 1	Projection Year 2	Projection Year 3
CASH RECEIPTS				
Salary or Cash from Business				
Seville South Partners, LP	\$6,000.00	\$72,000.00	\$72,000.00	\$72,000.00
McGlamry Properties	\$7,133.33	\$85,600.00	\$100,800.00	\$105,400.00
Social Security/Pension/Retirement	\$1,833.33	\$22,000.00	\$22,000.00	\$22,000.00
TOTAL RECEIPTS	\$14,966.67	\$179,600.00	\$194,800.00	\$199,400.00
CASH DISBURSEMENTS				
Domestic Support Obligations - SM, granddaughter	\$2,500.00	\$30,000.00	\$30,000.00	\$30,000.00
Charitable Contributions	\$200.00	\$2,400.00	\$2,400.00	\$2,400.00
Gifts	\$100.00	\$1,200.00	\$1,200.00	\$1,200.00
Household Expenses/Food/Clothing	\$1,000.00	\$12,000.00	\$12,000.00	\$12,000.00
Household Repairs & Maintenance	\$1,000.00	\$12,000.00	\$12,000.00	\$12,000.00
Insurance - Health	\$666.67	\$8,000.00	\$8,000.00	\$8,000.00
Insurance - Homeowners	\$125.00	\$1,500.00	\$1,500.00	\$1,500.00
Insurance - Life	\$2,500.00	\$30,000.00	\$30,000.00	\$30,000.00
Medical/Dental Payments	\$2,500.00	\$30,000.00	\$30,000.00	\$30,000.00
Taxes - Personal Property	\$33.33	\$400.00	\$400.00	\$400.00
Taxes - Real Estate	\$250.00	\$3,000.00	\$3,000.00	\$3,000.00
Taxes - Income & Self-employment	\$1,083.33	\$13,000.00	\$15,000.00	\$16,000.00
Travel & Entertainment	\$100.00	\$1,200.00	\$1,200.00	\$1,200.00
Utilities (Electric, Gas, Water, Cable, Sanitation)	\$625.00	\$7,500.00	\$7,500.00	\$7,500.00
Vehicle Expenses	\$900.00	\$10,800.00	\$10,800.00	\$10,800.00
Professional Fees (Legal, Accounting)	\$125.00	\$1,500.00	\$1,500.00	\$1,500.00
Other (attach schedule) Monthly Bank Charges See Bank Statement	\$4.17	\$50.00	\$50.00	\$50.00
Total Household Disbursements	\$13,712.50	\$164,550.00	\$166,550.00	\$167,550.00
Net Disposable Income	\$1,254.17	\$15,050.00	\$28,250.00	\$31,850.00