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**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
DISTRICT OF NEW JERSEY**

	:	
IN RE:	:	CASE NO.: 12-39767(GMB)
	:	
First Philadelphia Holdings, LLC,	:	CHAPTER 11
	:	
Debtor.	:	Hon. Gloria M. Burns
	:	
	:	

**AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125
OF THE BANKRUPTCY CODE DESCRIBING LIQUIDATING
CHAPTER 11 PLAN PROPOSED BY FIRST PHILADELPHIA HOLDINGS, LLC**

PLEASE READ THIS AMENDED DISCLOSURE STATEMENT CAREFULLY. THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THIS LIQUIDATING PLAN. THE PLAN PROPONENT BELIEVES THAT THIS PLAN OF REORGANIZATION IS IN THE BEST INTEREST OF THE CREDITORS AND THAT THE PLAN IS FAIR AND EQUITABLE. THE DEBTOR URGES THAT THE VOTER ACCEPT THE PLAN.

Dated: 3/26/14

PROPONENT: /s/ George M. Diemer
First Philadelphia Holdings, LLC,
Debtor-In-Possession
George M. Diemer, Managing Member

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I.

INTRODUCTION

First Philadelphia Holdings, LLC is the Debtor in a Chapter 11 bankruptcy case (the “Debtor”). On December 26, 2012 (the “Filing Date”), the Debtor commenced a bankruptcy case by filing a voluntary Chapter 11 petition under the United States Bankruptcy Code (“Code”), 11 U.S.C. §101, et seq. Chapter 11 of the Code allows the Debtor, and under some circumstances, creditors and other parties in interest, to propose a plan of reorganization (“Plan”). The Plan may provide for the Debtor to reorganize by continuing to operate, to liquidate by selling Property of the estate, or a combination of both. The Debtor is the party proposing the Plan sent to you in the same envelope as this document. THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE PLAN WHICH IS ANNEXED HERETO AS EXHIBIT A.

This is a Liquidating Plan. In other words, the Proponent seeks to accomplish payments under the Plan by (i) marketing its real estate for sale, as set forth in detail in section III.D below; (ii) making payment to its secured creditors from the proceeds of such sale as set forth in detail in section III.D below; and (ii) making payment to unsecured creditors funded by the Debtor’s managing member, George M. Diemer, as set forth in detail in section III.C.3 below.

A. Purpose of This Document

This Disclosure Statement summarizes what is in the Plan, and tells you certain information relating to the Plan and the process the Court follows in determining whether or not to confirm the Plan.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO

KNOW ABOUT:

- (1) WHO CAN VOTE OR OBJECT,**
- (2) THE PROPOSED TREATMENT OF YOUR CLAIM (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOU WOULD RECEIVE IN CHAPTER 7 LIQUIDATION.**
- (3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY.**
- (4) WHAT THE COURT WILL CONSIDER WHEN DECIDING WHETHER TO CONFIRM THE PLAN.**
- (5) THE EFFECT OF CONFIRMATION, AND**
- (6) THE FEASIBILITY OF THE PLAN.**

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own lawyer to obtain more specific advice on how this Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern.

Code Section 1125 requires a Disclosure Statement to contain “adequate information” concerning the Plan. The term “adequate information” is defined in Code Section 1125(a) as “information of a kind, and in sufficient detail,” about a debtor and its operations “that would enable a hypothetical reasonable investor typical of holders of claims or interests” of the debtor to make an informed judgment about accepting or rejecting the Plan. The Bankruptcy Court

(“Court”) has determined that the information contained in this Disclosure Statement is adequate, and it has approved this document in accordance with Code Section 1125.

This Disclosure Statement is provided to each creditor whose claim has been scheduled by the Debtor or who has filed a proof of claim against the Debtor and to each interest holder of record as of the date of approval of this Disclosure Statement. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to or concurrently with such solicitation.

B. Confirmation Procedures

Persons Potentially Eligible to Vote on the Plan

In determining acceptance of the Plan, votes will only be counted if submitted by a creditor whose claim is duly scheduled by the Debtor as undisputed, non-contingent and unliquidated, or who, prior to the hearing on confirmation of the Plan, has filed with the Court a proof of claim which has not been disallowed or suspended prior to computation of the votes of the Plan. All shareholders of record as of the date of approval of this Disclosure Statement may vote on the Plan. The Ballot Form that you received does not constitute a proof of claim. If you are uncertain whether your claim has been correctly scheduled, you should check the Debtor’s Schedules, which are on file at the office of the Clerk of the Bankruptcy Court located at: United States Bankruptcy Court, U.S. Court House, 401 Market Street, 2nd Floor, Camden, NJ. The Clerk of the Bankruptcy Court will not provide this information by telephone.

THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS THE

PLAN, THEN THE PLAN WILL BE BINDING ON THE DEBTOR AND ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

1. Time and Place of the Confirmation Hearing

The hearing at which the Court will determine whether to confirm the Plan will take place on _____, 2014, at ____ a.m., in Courtroom 4C, United States Bankruptcy Court, Camden, New Jersey.

2. Deadline for Voting For or Against the Plan

If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot and return the ballot to Maureen P. Steady, Esquire at 38 N. Haddon Avenue, Haddonfield, New Jersey 08033, fax #: (609) 482-8011.

Your ballot must be received by _____, 2014 or it will not be counted.

3. Deadline for Objecting to the Confirmation of the Plan

Objections to the confirmation of the Plan must be filed with the Court and served upon Maureen P. Steady, Esquire at 38 N. Haddon Avenue, Haddonfield, New Jersey 08033 by _____, 2014.

**4. Identity of Person to Contact for More Information Regarding
The Plan**

Any interested party desiring further information about the Plan should contact Maureen P. Steady at 38 N. Haddon Avenue, Haddonfield, New Jersey 08033.

C. Disclaimer

The financial data relied upon in formulating the Plan is based on projections and valuations prepared by the Debtor. The information contained in this Disclosure Statement is

provided by the Debtor. The Plan Proponent represents that everything stated in the Disclosure Statement is true to the Proponent's best knowledge.

PLEASE NOTE THAT THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A RULING ON THE MERITS, FEASIBILITY OR DESIRABILITY OF THE PLAN.

II.

BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is a Pennsylvania limited liability company formed on or about March 14, 2005. The Debtor is headquartered in New Jersey and is in the business of owning real estate located at 6501 New State Road a/k/a Tacony Street, Philadelphia, Pennsylvania (the "Property").

The Debtor acquired the Property in August, 2005. The Property was appraised in 2006 as having an "as is" value of \$15,000,000, and an "improved value of \$23,000,000. The sale will determine the value of the Property. Since acquiring the Property, the Debtor has performed significant environmental clean-up on the Property and successfully filed an environmental remediation plan and report, complete with on-site and off-site testing and coordinated engineering work, to raise the remediation plan to a residential standard. The Debtor received approval from the Pennsylvania DEP for the remediation plan in or about 2006.

The Debtor designed a water, sewer and storm sewer system for both the on-site project and the off-site improvements that was deemed to increase the water quality in the Commonwealth of Pennsylvania and was approved by the City Streets Department of the City of Philadelphia.

The Debtor has completed significant engineering, architectural and zoning work in connection with the construction of condominium units (the “Project”) on the Property.

B. Principals/Affiliates of Debtor’s Business

George M. Diemer. Mr. Diemer is the sole member of the Debtor. Mr. Diemer is also a guarantor of the Debtor’s secured obligations to Susquehanna Bank (“Susquehanna”) and Pennsylvania Infrastructure Investment Authority (“Penn Vest”) in connection with the Property.

Burnt Mill Associates is a New Jersey corporation owned by the Debtor’s principal, George M. Diemer, and is a guarantor of the Susquehanna Loan (defined below).

Capital Properties Investors, Inc. is a New Jersey corporation owned by the Debtor’s principal, George M. Diemer, and is a guarantor of the Susquehanna Loan (defined below).

Woodlane Associates, L.P. is a New Jersey limited partnership owned by the Debtor’s principal, George M. Diemer, and is a guarantor of the Susquehanna Loan (defined below).

C. Management of the Debtor Before and During the Bankruptcy

<u>Name</u>	<u>Compensation</u>
George M. Diemer, Managing Member	n/a
<u>Job Description(s)</u>	
George M. Diemer:	n/a

Mr. Diemer plans, develops and implements the Debtor’s strategic marketing goals and directs and coordinates the Debtor’s operations in accordance with the Debtor’s objective of selling the Property pursuant to the Plan. Mr. Diemer oversees operations and serves as reorganization/liquidating executive during the pendency of the Debtor’s Chapter 11 bankruptcy case, working with the Debtor’s professionals on a daily basis.

D. Events Leading to Chapter 11 Filing

Here is a brief summary of the circumstances that led to the filing of this Chapter 11 case:

On the Petition Date, the Property was encumbered by two (2) secured mortgages. The first priority mortgage was initially held by Susquehanna Bank, successor in interest to Susquehanna Bank DV f/k/a Susquehanna Patriot Bank (“Susquehanna”) in the approximate amount of \$5,510,000 (the “Susquehanna Loan”). The second mortgage is held by the Pennsylvania Infrastructure Investment Authority (“Penn Vest”) in the approximate amount of \$4,547,500 (the “Penn Vest Loan”). The Property is also encumbered by outstanding real estate taxes due to the City of Philadelphia in the approximate amount of \$269,482.82².

On or about May 31, 2013, 6501 NSR, LLC acquired all of the right, title and interest in and to various loans and other extensions of credit made by Susquehanna to the Debtor, the amount of those loans and other extensions of credit being in the approximate amount of \$6,300,000 as of March, 2014, together with accrued and accruing interest, cost, fees and other expenses due and owing under or with respect to the agreements, documents and instruments evidencing the foregoing purchased loans (the “Purchased Debt”).

Due to a variety of factors, including, the epic downturn in the real estate and housing markets and the absence of credit availability for construction projects like the one envisioned by the Debtor, the Debtor was not able to acquire the additional funding it needed to build out the Project.

Without the necessary funding, the Project was dormant and the Debtor’s principal, Mr. Diemer, was forced to fund payments in connection with the Susquehanna Loan and the Penn Vest Loan through 2008. During this time, Mr. Diemer was diagnosed with cancer and was

² This amount reflects the amounts set forth in the proofs of claim filed by the City in this case. The Debtor reserves the right to object to the proofs of claim.

unable to focus his energies on the Project. Accordingly, prior to 2010, Mr. Diemer funded an interest account in the amount of approximately \$1,000,000 dedicated to making the loan payments in connection with the Susquehanna Loan. Thereafter, Susquehanna declared a default in connection with the Susquehanna Loan and seized the \$1,000,000 interest reserve. Without revenues or operations, the Debtor was unable to make payments on account of the Susquehanna Loan and the Penn Vest Loan. Accordingly, the Debtor focused its attention on the sale of the Property.

During this time, Susquehanna and Penn Vest confessed judgment against the Debtor and the above-referenced affiliates, making it impossible for the Debtor to achieve a sale of the Property without the protection of the bankruptcy laws.

E. Significant Events During the Bankruptcy

1. Bankruptcy Proceedings

The following is a chronological list of significant events which have occurred during this case:

On January 24, 2013, the 341(a) Meeting of Creditors was conducted by the Office of the United States Trustee.

On February 19, 2013, the Court held a status hearing in connection with the Debtor's case.

On March 25, 2013, the Debtor filed a Motion to Extend the Exclusivity Period (the "First Extension Motion"). On April 19, 2013, the Court granted the First Extension Motion.

On April 23, 2013, Susquehanna Bank filed a Motion to Dismiss Case, or, in the Alternative, for Relief From the Automatic Stay (the "Dismissal Motion"). 6501 NSR, LLC now controls the Dismissal Motion and same has been withdrawn without prejudice.

On or about June 5, 2013, 6501 NSR, LLC filed with the Clerk of the Bankruptcy Court a notice of the transfer of the proof of claim filed by Susquehanna Bank to 6501 NSR, LLC.

On July 19, 2013, the Debtor filed a Second Motion to Extend the Exclusivity Period (the “Second Extension Motion”). On August 20, 2013, the Court granted the Second Extension Motion.

On October 29, 2013, the Debtor filed a Third Motion to Extend the Exclusivity Period (the “Third Extension Motion”). On November 19, 2013, the Court granted the Third Extension Motion.

On January 20, 2014, the Debtor filed a Fourth Motion to Extend the Exclusivity Period (the “Fourth Extension Motion”). On February 11, 2014, the Court granted the Fourth Extension Motion.

The Court has approved the employment of the following professionals:

On December 26, 2013, the Debtor filed an application to retain Maureen P. steady, Esquire as its counsel. On January 17, 2013, the Court entered an Order approving the retention of counsel.

In or about March, 2013, the Debtor filed an application to retain Newmark Grubb Knight Frank as its real estate broker. On April 12, 2013, the Court entered an Order approving the retention of the real estate broker.

Adversary Proceedings:

On March 10, 2014, the Debtor initiated an adversary proceeding against PennVest to Determine Validity, Priority, or Extent of Liens Pursuant to 11 U.S.C. §§ 506(a), 506(d), 547(b) and Bankruptcy Rule 7001.

No Creditors’ Committee has been formed in this case.

2. Other Legal Proceedings

In addition to the proceedings discussed above, the Debtor is currently involved in the following non-bankruptcy legal proceedings:

<u>Action</u>	<u>Status</u>
Commonwealth of PA Infrastructure Investment Authority vs. First Philadelphia Holdings, LLC; Case No.:	Stayed
Susquehanna Bank vs. First Philadelphia Holdings, LLC, et al.	Stayed

In or about June, 2013, the Debtor became aware that an entity known as Walsh Construction, LLC, Walsh Construction company, II, LLC and or various of its affiliates (“Walsh”) had been conducting various activities on the Property, including, but not limited to, storing various materials on the Property, dredging, filling, crushing and/or processing concrete, moving soil and dirt located on the Property and possibly destroying or damaging groundwater wells.

On June 24, 2013, the Debtor caused a cease and desist letter to be delivered to Walsh. Debtor’s counsel and Walsh representatives have communicated since July 2013 regarding a resolution of the Debtor’s claim(s) against Walsh. No resolution has been achieved. The Debtor reserves its right to pursue and/or transfer its right to pursue an action against Walsh for its conduct as described above, and any other conduct taken on or with regard to the Property.

3. Preferential or Fraudulent Transfers

The Debtor has considered potential federal and state causes of action for recovery of transfers and has identified a judgment obtained by PennVest against the Debtor within ninety (90) days of the Petition Date. On March 10, 2014, the Debtor initiated an adversary proceeding against PennVest to Determine Validity, Priority, or Extent of Liens Pursuant to 11 U.S.C. §§ 506(a), 506(d), 547(b) and Bankruptcy Rule 7001.

4. Procedures Implemented to Resolve Financial Problems

In an effort to remedy the problems that led to the bankruptcy filing, the Debtor will market and sell the Property. If a sale cannot be achieved in the time frame set forth in the Plan, the Debtor will transfer its interest in the Property to one or both of the secured creditors.

5. Current and Historical Financial Conditions.

The only business the Debtor has engaged in has been the management and remediation of the Property. The Debtor has not had a bank account since approximately 2008. As indicated above, for many years, the Debtor's only source of funds has been Mr. Diemer's loans/contributions. Since the bankruptcy filing, the Debtor has opened a Debtor-in-Possession account, also funded by Mr. Diemer. See, also the Debtor's most recent Monthly Operating Report filed with the Court on February 26, 2014 and attached hereto as Exhibit "B" (the "January MOR").

III.

SUMMARY OF THE PLAN OF REORGANIZATION

A. What Creditors and Interest holders Will Receive Under the Proposed Plan

The Plan classifies claims and interests in various classes. The Plan states whether each class of claims or interests is impaired or unimpaired. The Plan provides the treatment each class will receive.

B. Unclassified Claims

Certain types of claims are not placed into voting classes. They are not considered impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Proponent has not placed the following claims in a class:

1. Administrative Expenses and Fees

Administrative expenses are claims for fees, costs or expenses of administering the Debtor's Chapter 11 case which are allowed under Code Section 507(a)(1), including all professional compensation requests pursuant to Sections 330 and 331 of the Code. The Code requires that all administrative expenses including fees payable to the Bankruptcy Court and the Office of the United States Trustee which were incurred during the pendency of the case must be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists all of the Debtor's unpaid administrative fees and expenses ("Compensation"), an estimate of future professional fees and other administrative claims and fees and their treatment under the Plan:

NAME	AMOUNT ESTIMATED	TREATMENT	TYPE OF CLAIM
Maureen P. Steady, Esquire	\$30,000 ³	Paid in full in accordance with Order(s) awarding fees	Administrative
Clerk's Office Fees	\$0.00	Paid in full on Effective Date	Administrative
Office of the Trustee Fees	\$0.00 ⁴	Paid in full on Effective Date	Administrative
TOTAL	\$30,000		

Court Approval of Professional Compensation Required:

Pursuant to the Code, the Court must rule on all professional compensation and expenses listed in this chart before the compensation and expenses will be owed. The professional in question must file and serve a properly noticed fee application for compensation and reimbursement of expenses and the Court must rule on the application. Only the amount of compensation and reimbursement of expenses allowed by the Court will be owed and required to be paid under this Plan as an administrative claim.

Each professional person who asserts a further administrative claim that accrues before the confirmation date shall file with the Bankruptcy Court, and serve on all parties required to receive notice, an application for compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date of the Plan. Failure to file such an application timely shall result in the professional person's claim being forever barred and discharged. Each and every other person asserting an administrative claim shall be entitled to file a motion for allowance of the asserted administrative claim within ninety (90) days of the Effective Date of

³ This amount is based upon counsel's estimation of fees after an initial fee application.

⁴ To the extent any fees are due to the Office of the U.S. Trustee at the time of confirmation, such fees shall be determined by statute and will be paid in full upon the Effective Date.

the Plan, or such administrative claim shall be deemed forever barred and discharged. No motion or application is required to fix the fees payable to the Clerk’s Office or Office of the United States Trustee. Such fees are determined by statute.

As indicated above, the Debtor will need to pay administrative claims and fees on the Effective Date of the Plan unless a claimant has agreed to be paid later or the Court has not yet ruled on the claim. To date, Debtor’s counsel has made two (2) interim fee applications, which applications have been granted. There are no fee applications pending at this time. It is anticipated that fee applications will be filed with the Court at the appropriate time. In the event fee awards exceed the Debtor’s ability to pay in full in a lump sum, it is anticipated that the Debtor’s professionals will work out repayment terms with the Debtor.

2. Priority Tax Claims

Priority tax claims are certain unsecured income, employment and other taxes described by Code Section 507(a)(8). The Code requires that each holder of such a Section 507(a)(8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding six years from the date of the assessment of such tax. There are no priority tax claims.

C. Classified Claims and Interests

1. Classes of Secured Claims

Secured claims are claims secured by liens on property of the estate. The following chart lists all classes of creditors containing the holders of the Debtor’s secured pre-petition claims and Their treatment under this Plan:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> Y/N	<u>IMPAIRED</u> Y/N	<u>TREATMENT</u>
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1A	Secured Claim of: * Name = City of Philadelphia * Collateral description = the Property *Collateral value = \$10,200,000 *Claimed priority of security int. = first *Principal owed = \$269,482.82 ⁵ . *Total claim amount = \$269,482.82 ⁶ .	N	Y	*Pymt interval = 1 *Pymt amt = to the extent of the City of Philadelphia Allowed Claim, the amount of such Allowed Claim resulting from the sale of the Property which secures such claim in accordance with the provisions of the Plan; or in the event that the Property is conveyed to a secured creditor, as provided in the Plan, by payments to be made directly by such secured creditor, to this Claimant *Begin date = Sale Date *End date = Effective Date *Interest rate % = statutory *Total payout % = to be determined upon Sale Date *Treatment of lien = retained until all Plan payments are made *Total payout % = to be determined upon the Sale Date
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<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> Y/N	<u>IMPAIRED</u> Y/N	<u>TREATMENT</u>
1B	Secured Claim of: * Name = 6501 NSR, LLC * Collateral description = the Property *Collateral value = \$10,200,000 *Claimed priority of	N	Y	*Pymt interval = 1 *Pymt amt = to the extent of the 6501 NSR, LLC Allowed Claim, the Net Proceeds resulting from the sale of the Property which secures such claim in accordance with the provisions of the Plan; or

⁵ This amount reflects the amounts set forth in the proofs of claim filed by the City in this case. The Debtor reserves the right to object to the proofs of claim.

⁶ This amount reflects the amounts set forth in the proofs of claim filed by the City in this case. The Debtor reserves the right to object to the proofs of claim.

	security int. = first mortgage; second lien *Principal owed = approx. \$5,510,000 ⁷ *Total claim amount = approx. \$6,300,000 ⁸			in the event that the Property is not sold, except to the extent that the holder of this Allowed Secured Claim has been paid prior to the Effective Date, 6501 NSR, LLC shall retain the liens securing its Allowed Secured Claim and the Debtor shall surrender the Property in full settlement, satisfaction, release and discharge of all of this creditor's respective claims and liens against the Debtor only. *Begin date = Sale Date *End date = Sale Date, or, as otherwise provided in the Loan and Security Documents securing the 6501 NSR, LLC loan *Interest rate % = contract *Total payout % = to be determined upon Sale Date *Treatment of lien = retained until all Plan payments are made *Total payout % = to be determined upon the Sale Date
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<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> Y/N	<u>IMPAIRED</u> Y/N	<u>TREATMENT</u>
1C	Secured Claim of: * Name = Pennsylvania Infrastructure Investment Authority * Collateral	N	Y	*Pymt interval = n/a *Pymt amt = Except to the extent that the holder of this Allowed Secured Claim has been paid prior

⁷ The Debtor's Schedule D identifies the Susquehanna Loan as being disputed. The Debtor does not dispute the claim of NSR, LLC and will file an Amended Schedule D so stating..

⁸ The Debtor's Schedule D identifies the Susquehanna Loan as being disputed. The Debtor does not dispute the claim of NSR, LLC and will file an Amended Schedule D so stating.

	description = the Property *Collateral value = \$10,200,000 *Claimed priority of security int. = second mortgage; third lien *Principal owed = \$4,547,500 *Total claim amount = \$4,547,500			to the Effective Date, and subject to the Claims of the City of Philadelphia and 6501 NSR, LLC, the Debtor shall surrender the Property and any other collateral securing the Claim in full settlement, satisfaction, release and discharge of all of its respective claims and liens. *Begin date = Sale Date *End date = Sale Date *Interest rate % = contract, except to the extent fixed by the Code *Total payout % = to be determined upon Sale Date *Treatment of lien = retained until all Plan payments are made *Total payout % = to be determined upon sale date
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2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in Code Sections 507(a)(3),(4),(5),(6), and (7) are required to be placed in classes. These types of claims are entitled to priority treatment as follows: the Code requires that each holder of such a claim receive cash on the Effective Date equal to the allowed amount of such claim. However, a class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claims.

The following chart lists all classes containing Debtor’s 507(a)(3), (a)(4), (a)(5), (a)(6), and (a)(7) priority unsecured claims and their treatment under this Plan: None.

3. Classes of General Unsecured Claims

General unsecured claims are uncollateralized claims not entitled to priority under Code Section 507(a). The following chart identified this Plan’s treatment of the classes containing all of Debtor’s general unsecured claims:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> Y/N	<u>TREATMENT</u>
2	<p>General Unsecured Claims</p> <p>*Total amt of claim = \$237,481.49</p>	Y	<p>*Pymt interval = 1</p> <p>*Pymt amt = \$20,000</p> <p>*Begin date = First day of first month after the Effective Date</p> <p>*Interest rate % = 0</p> <p>*Total payout = percentage to be determined based upon total amount of unsecured claims. At the time of filing the within Disclosure Statement, the Debtor estimates the percentage distribution to be 8.42%.</p>

4. Class of Interest Holders

Interest holders are the parties who hold ownership interests, (i.e., equity interests) in the Debtor. If the Debtor is a corporation, entities holding preferred or common stock in the Debtor are interest holders. If the Debtor is a partnership, the interest holders include both general and limited partners. If the Debtor is an individual the Debtor is the interest holder. The following chart identifies the Plan’s treatment of the class of interest holders:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> Y/N	<u>TREATMENT</u>
3	Interest holder: George M. Diemer – 100% Shareholder	Y	This class of creditors' claim is subordinated to the claims of General Unsecured Creditors, and, accordingly, will not receive any distribution under the Plan.

D. Means of Effectuating the Plan – Auction Sale of Property

1. Funding for the Plan

(a) The Plan will be funded by the sale of the Property. Furthermore, the Debtor's 100% owner and managing member, George M. Diemer, has committed to fund a distribution to unsecured creditors in the amount of \$20,000 thereby securing a dividend to unsecured creditors. In order to satisfy any inquires with respect to Mr. Diemer's ability to fund this aspect of the Plan, the Debtor shall open a second Debtor-in-Possession account which will be entitled "Plan Funding Account" and Mr. Diemer will deposit the sum of \$20,000 into such account on or about the date the Disclosure Statement is approved for adequacy.

(b) With the assistance of its realtor, the Debtor will market the Property for sale an Auction (described below) and secured creditors shall have the right to credit bid the amount of their secured claims, based upon lien priority.

(c) The sale of the Property shall be free and clear of all liens, claims, encumbrances and interests of any kind, with such liens, claims, encumbrances and interests to attach the proceeds resulting from the sale of such Property pursuant to Sections

1123(a)(5)(D), 1129 and 1141(c) of the Bankruptcy Code. The Debtor intends the sale of the Property to be accomplished pursuant to a confirmed Chapter 11 Plan. Accordingly, the Debtor anticipates the sale of the Property to be free and clear of all Commonwealth of Pennsylvania, Philadelphia County and other transfer taxes pursuant to 11 U.S.C. § 1146(a). Notwithstanding the forgoing, if 6501 NSR, LLC or its assignee or nominee is the successful bidder for the Property and if, notwithstanding the forgoing (or for any other reason), any lien, claim encumbrance or other interest (except with respect to prior valid, binding, enforceable, non-avoidable liens), is not discharged pursuant to the sale under the Plan, (i) the liens, claims, encumbrances and interests of 6501 NSR, LLC, or its assignee or nominee, as applicable, shall be revived and reinstated in full, with the same effect and priority they had prior to the entry of any order approving the sale of the Property; (ii) 6501 NSR, LLC shall be entitled to foreclose on its mortgage on the Property; and (iii) the deed conveying the Property under the Plan shall be a deed in lieu of foreclosure.

(d) At the hearing to consider the adequacy of the Debtor's Disclosure Statement, the Debtor seeks entry of the Procedure and Scheduling Order, substantially in the form of the proposed order annexed hereto as Exhibit "C" (a) setting terms of a Qualified Bid, the Bid Deadline, Auction Date, and notice requirements, and (b) approving the bidding procedures, and notice requirements with respect to the Auction of the Property as set forth in the Bidding Procedures attached hereto as Exhibit "D".

(e) The Debtor also seeks entry of Confirmation Order at the time of the Confirmation Hearing that would, among other things:

(i) Pursuant to sections 105(a), 1123, 1129 and 1141(c) of the Bankruptcy Code, approve the terms and conditions of the Successful Bid - as defined in Bidding Procedures -- authorize the Debtor to sell to such entity that submits the Successful Bid (the "Successful Bidder") pursuant to the procedures, terms, and conditions of the Real Estate Purchase Contract (defined in the Bidding Procedures and attached to the Bidding Procedures as Schedule "3"), the Property in accordance with the terms of the Real Estate Purchase Contract, free and clear of all liens, claims, encumbrances and interests, with all such liens, claims, encumbrances and interests to attach to the proceeds of the sale; and

(ii) Direct that the consideration received by the Debtor be distributed at closing in accordance with terms of the proposed Confirmation Order.

(f) Interested parties are advised that, pursuant to the proposed Bidding Procedures, the Debtor reserves the right, at any time before entry of an order of the Bankruptcy Court approving a Successful Bid (as defined in the Bidding Procedures) only after consultation with 6501 NSR, LLC, to reject any purported bid that is inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, the Bid Procedures, or the terms and conditions of sale, or contrary to the best interests of the Debtor, its estate, and creditors.

PROPOSED BID PROCEDURES

(g) The Debtor, after careful review, has determined that the proposed Bidding Procedures will maximize the realizable value of the Property for the benefit of the Debtor's estates, creditors and other interested parties.

(h) Pursuant to Bankruptcy Rule 2002, the Debtor is required to provide creditors with twenty-one (21) days' notice of the sale and twenty-eight days' notice of the confirmation hearing. Pursuant to Bankruptcy Rule 2002 (c), the Debtor is required to notify the Debtor's creditors of the proposed sale of the Property, including a disclosure of the time and place of the sale. The Procedure and Scheduling Order contemplates approval of the adequacy of the Debtor's Disclosure Statement and bidding procedures at the hearing scheduled for March 26, 2014 (the "Adequacy Hearing"), and the scheduling of (a) a Bid Deadline, (b) an Auction Date, (c) sale approval at a hearing, and (d) Closing to take place within thirty (30) days after entry of a Confirmation Order authorizing the sale of the Property.

(i) The bidding procedures have been structured with the objective of obtaining the highest and best offers for the Property at the Auction.

(j) The Debtor believes that establishing the attached procedures for bidding on the Property will allow the Debtor, in consultation with 6501 NSR, LLC, to promptly review, analyze and compare all bids received and determine if a bid or bids are in the best interests of the bankruptcy estate of the Debtor.

(k) As a general rule, except with respect to bids of secured creditors 6501 NSR, LLC and PennVest, all offers to purchase the Property must be in "all cash".

HEARING DATE, OBJECTION DATES AND PROVISIONS FOR NOTICE

(l) The Debtor requests that the Court approve the bidding procedures at the Adequacy Hearing scheduled for March 26, 2014, or the earliest possible date thereafter, consistent with the requirements of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, and (b) set as a deadline for objecting to the proposed sale of the Property to the Successful Bidders of 5:00 p.m. (EDT) on the date that is at least seven (7) business days prior to the date of the Confirmation Hearing (the “Objection Deadline”).

(m) Notice of Confirmation Hearing. The Debtor proposes that notice of the Confirmation Hearing be given as follows:

(A) Notice of Auction Sale and Confirmation Hearing. Within fourteen (14) days after the entry of the Order Approving Disclosure Statement, or such other date as may be set by the Court (the “Mailing Date”), the Debtor (or its agent) will serve this a copy of the proposed Procedure and Scheduling Order (which shall include the Bidding Procedures) by email or first-class mail, postage prepaid, upon: (i) the Office of the United States Trustee; (ii) counsel for all known secured creditors, (iii) any taxing and other governmental authorities that have or may have any interest in the Property, (iv) all persons or entities known to have asserted a lien, claim, or interest in connection with the Property, (v) all persons and entities who have filed a notice of appearance and request for service of papers in these cases on or before the Mailing Date (or such other date as may be set by the Court); and (vi) all persons and entities on the matrix service list for the Debtor;

(B) Publication Notice. Promptly upon entry of the Procedures and Scheduling Order, the Debtor or its agent will cause a notice of the sale to be published at least once in the Wall Street Journal (New York, New Jersey and Philadelphia editions), the

Philadelphia Inquirer, the New York Times-Sunday-Business Section (the “Publication Notice”) and such other newspapers, journals, internet marketing and listings, direct mail campaign, and press releases that the Debtor and Newmark deem appropriate. The Debtor respectfully requests that such Publication Notice be deemed proper notice to any other interested parties whose identities are unknown to the Debtor.

(n) The Debtor further requests that the Court order that objections, if any, to the Auction Sale must: (a) be in writing; (b) conform to the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of the United States Bankruptcy Court for the District of New Jersey; (c) set forth the name of the objector and the nature and amount of any claim or interest held by and against the Debtor’s estates or property; (d) state the legal and factual basis for the objection and the specific grounds therefore; (e) be filed with the Bankruptcy Court, on or before the Objection Deadline; and (f) be served so as to be received no later than the Objection Deadline by (i) counsel to the Debtor, (ii) the Office of the United States Trustee, and (iii) counsel for all secured creditors.

(o) The Debtor further requests that the Court order that the failure of any objecting person or entity to timely file its objection in accordance with the requirements of the Procedure and Scheduling Order will be a bar to the assertion, at the Confirmation Hearing, or otherwise, of any objection to the Motion, the Auction or the Debtor’s consummation and performance of the Real Estate Purchase Contract (attached to the Bidding Procedures), including the transfer of the Property free and clear of all liens, claims, encumbrances and interest, if authorized by the Court.

(p) If the Property is not sold pursuant to the Bidding Procedures Motion, except to the extent that 6501 NSR, LLC and/or PennVest have been paid by some other means, and

subject to the Claim(s) of the City of Philadelphia, and any other valid, binding, enforceable, non-avoidable liens, the Debtor shall surrender the Property and any other collateral securing the 6501 NSR, LLC Claim and the Penn Vest Claim to 6501 NSR, LLC in full settlement, satisfaction, release and discharge of all of their respective claims and liens.

2. Post-confirmation Management.

The Debtor's managing member, George M. Diemer, will maintain his management responsibilities post-confirmation.

3. Disbursing Agent

The Debtor's managing member, George M. Diemer, shall act as the disbursing agent for the purpose of making all distributions provided for under the Plan. The Disbursing Agent shall not be compensated.

E. Other Provisions of the Plan

1. Executory Contracts and Unexpired Leases

The Plan provides that all Executory Contracts and Unexpired Leases, except for those specifically assumed by the Debtor in writing or previously assumed by Court Order, shall be deemed rejected. There are no Executory Contracts, nor, Unexpired Leases to assume in this case.

All proofs of claim with respect to claims arising from said rejection must be filed with the Bankruptcy Court within the earlier of (i) the date set forth for filing claims in any order of the Bankruptcy Court approving such rejection or (ii) thirty (30) days after the Confirmation Date. Any such claims, proofs of which are not filed timely, will be barred forever from assertion. The Debtor does not anticipate any rejection claims being filed.

2. Regulatory Commission Approval

This Debtor is not regulated by a governmental commission.

3. Retention of Jurisdiction

The Court will retain jurisdiction as provided in Section III.C. of the Plan.

4. Procedures for Resolving Contested Claims

The Debtor and/or the Disbursing Agent shall have sixty (60) days subsequent to confirmation to object to the allowance of claims. The Proponent has reviewed the claims that have been filed. To date, six (6) proofs of claim have been filed in the Debtor's case. The Bar Date for filing claims in this case was April 24, 2013, except that governmental units had until 180 days from the Filing Date, or, June 24, 2013, to file claims.

The Debtor does not object to the claims that have been filed, however, the Debtor reserves the right to amend this section to the extent necessary as additional facts become available. The Debtor further reserves the right to amend its Schedules D, E and F.

5. Effective Date

The Plan will become effective on the Effective Date which is the date on which the order of confirmation becomes a final Order.

6. Modification

The Plan Proponent may alter, amend or modify the Plan at any time prior to the Confirmation Date and thereafter as provided in Section 1127(b) of the Bankruptcy Code.

F. Tax Consequences of Plan

CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible

tax consequences is intended solely for the purpose of alerting readers to possible tax issues this Plan may present to the Debtor. The Proponent CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action.

The following are the tax consequences that the Plan will have on the Debtor's tax liability: Debtor does not anticipate any significant tax consequences on the Debtor's finances from the confirmation of the Plan.

G. Risk Factors

The following discussion is intended to be a non-exclusive summary of certain risks attendant upon the consummation of the Plan. You are encouraged to supplement this summary with your own analysis and evaluation of the Plan and Disclosure Statement, in their entirety, and in consultation with your own advisors. Based on the analysis of the risks summarized below, the Plan Proponent believes that the Plan is viable and will meet all requirements of confirmation:

The following discussion is intended to be a non-exclusive summary of certain risks attendant upon the consummation of the Plan. Debtor believes that because the Plan is a Plan of Liquidation, there are no risks associated with the Plan. You are encouraged to supplement this summary with your own analysis and evaluation of the Plan and Disclosure Statement, in their entirety, and in consultation with your own advisors.

IV.

CONFIRMATION REQUIREMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THIS PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The proponent CANNOT and DOES NOT represent that the discussion contained below is a complete summary of the law on this topic.

Many requirements must be met before the Court can confirm a Plan. Some of the requirements include that the Plan must be proposed in good faith, that creditors or interest holders have accepted the Plan, that the Plan pays creditors at least as much as creditors would receive in a Chapter 7 liquidation, and that the Plan is feasible. These requirements are not the only requirements for confirmation.

A. Who May Vote or Object

1. Who May Object to Confirmation of the Plan

Any party in interest may object to the confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

2. Who May Vote to Accept/Reject the Plan

A creditor or interest holder has a right to vote for or against the Plan if that creditor or interest holder has a claim that is both (1) allowed or allowed for voting purposes and (2) classified in an impaired class

a. What Is an Allowed Claim/Interest

As noted above, a creditor or interest holder must first have an allowed claim or interest to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party in interest brings a motion objecting to the claim. When an objection to a claim or interest is filed, the creditor or interest holder holding the claim or interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or interest for voting purposes.

THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE WAS APRIL 24, 2013.

A creditor or interest holder may have an allowed claim or interest even if a proof of claim or interest was not timely filed. A claim is deemed allowed if (1) it is scheduled on the Debtor's schedules and such claim is not scheduled as disputed, contingent, or unliquidated, and (2) no party in interest has objected to the claim. An interest is deemed allowed if it is scheduled and no party in interest has objected to the interest.

b. What Is an Impaired Claim/Interest

As noted above, an allowed claim or interest only has the right to vote if it is in a class that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class. For example, a class comprised of general unsecured claims is impaired if the Plan fails to pay the members of that class 100% of their claim plus interest.

In this case, the Proponent believes that classes 1 through 3 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

Parties who dispute the Proponent's characterization of their claim or interest as being impaired or unimpaired may file an objection to the Plan contending that the Proponent has incorrectly characterized the class.

3. Who is Not Entitled to Vote

The following four types of claims are not entitled to vote: (1) claims that have been disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code Section 507(a)(1), (a)(2), and (a)(8); and (4) claims in classes that do not receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Code Section 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed in classes and they are required to receive certain treatment specified by the Code. Claims in classes that do not receive or retain any value under the Plan do not vote because such classes are deemed to have rejected the Plan. **EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.**

4. Who Can Vote in More Than One Class

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim is entitled to accept or reject a Plan in both capacities by casting one ballot for the secured part of the claim and another ballot for the unsecured claim.

5. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class has accepted the Plan without counting the votes of any insiders within the class,

and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cramdown” on non-accepting classes, as discussed later in Section (IV.A.8.).

6. Votes Necessary for a Class to Accept the Plan

A class of claims is considered to have accepted the Plan when more than one-half (1/2) in number and at least two-thirds (2/3) in dollar amount of the allowed claims that actually voted, voted in favor of the Plan. A class of interests is considered to have accepted the Plan when at least two-thirds (2/3) in amount of the allowed interest-holders of such class which actually voted, voted to accept the Plan.

7. Treatment of Nonaccepting Classes

As noted above, even if all impaired classes do not accept the proposed Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner required by the Code. The process by which nonaccepting classes are forced to be bound by the terms of the Plan is commonly referred to as “cramdown”. The Code allows the Plan to be “crammed down” on nonaccepting classes of claims or interests if it meets all consensual requirements except the voting requirements of Section 1129(a)(8) and if the Plan does not “discriminate unfairly” and is “fair and equitable toward each impaired class that has not voted to accept the Plan as referred to in 11 U.S.C. §1129(b) and applicable case law.

8. Request for Confirmation Despite Nonacceptance by Impaired Class(es)

The party proposing this Plan asks the Court to confirm this Plan by cramdown on impaired classes if any of these classes do not vote to accept the Plan.

B. Liquidation Analysis

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 in 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 Code.

In a Chapter 7 case, the Assets are usually sold by a Chapter 7 trustee. Secured creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien. Administrative claims are paid next. Next, 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. Finally, interest holders receive the balance that remains after all creditors are paid, if any.

In order 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. The Plan Proponent maintains that this requirement is met here for the following reasons:

Below is a demonstration, in balance sheet format, that all creditors and interest holders will receive at least as much under the Plan as such creditor or interest holder would receive under a Chapter 7 liquidation:

PROPERTY:

Real Property

6501 New State Road a/k/a Tacony Street Philadelphia, Pennsylvania	\$10,200,000
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Minus: Real estate taxes	\$ 269,483
1 st Mortgage	\$ 6,300,000 ¹⁰
2 nd Mortgage	\$ 4,547,500
Costs of Sale (est. at 10%)	\$ 1,020,000
Net Equity:	\$ 0
TOTAL REAL ESTATE PROPERTY:	\$ 0

LIABILITIES:

Priority Claims

Chapter 7 administrative costs	\$40,000
Chapter 11 administrative costs	\$30,000 ¹¹
TOTAL PRIORITY CLAIMS:	\$50,000

**Amount Available for Unsecured Claims
(total Property minus priority claims) = \$0**

The above liquidation analysis assumes a Chapter 7 liquidation in which a Trustee would liquidate the Property of the Debtor’s estate. The liquidation analysis is based upon estimates and assumptions that, although developed and considered reasonable by the Debtor, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtor. The liquidation analysis is also based upon assumptions with regard to liquidation decisions that are subject to change. Accordingly, there can be no

¹⁰ The Debtor’s Schedule D identifies the Susquehanna Loan as being disputed. The Debtor does not dispute the claim of NSR, LLC and will file an Amended Schedule D so stating.

¹¹ This amount is based upon counsel’s estimation of fees after an initial fee application.

assurance that the values reflected in the liquidation analysis would be realized if the Debtor were, in fact, to undergo such liquidation.

A Chapter 7 liquidation would result in a substantial diminution in the value to be realized by the holders of claims because of (i) the failure to realize the maximum value of the Debtor's Property, (ii) additional administrative expenses involved in the appointment of a trustee, attorneys, accountants and other professionals to assist such trustee, (iii) additional expenses and claims, some of which would be entitled to priority and payment, which would arise by reason of the liquidation, and (iv) the loss of the \$20,000 contribution from the Debtor's principal.

Consequently, the Debtor believes that the Plan provides a substantially greater return to Holders of Claims than would a liquidation under Chapter 7. Under the Plan, holders of allowed General Unsecured Claims will receive a 8.47 % dividend on account of their allowed claims¹². In the event of a liquidation under Chapter 7, unsecured creditors will receive zero. Accordingly, the results achieved by the confirmation of a Plan are more beneficial than if the case was converted to a Chapter 7 case.

C. Feasibility

Another requirement for confirmation involves the feasibility of the Plan, which means that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

¹² To the extent that secured claims are bifurcated, the amount of the dividend to unsecured creditors may be reduced.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims and expenses that are entitled to be paid on such date. The Plan Proponent maintains that this aspect of feasibility is satisfied as illustrated in the attached Exhibit "A", in that this is a Plan of Liquidation.

The second aspect considers whether the Proponent will have enough cash over the life of the Plan to make the required Plan payments. This aspect is also met because this is a Plan of Liquidation. Furthermore, as described above, the Debtor's 100% owner and managing member, George M. Diemer, has committed to fund a distribution to unsecured creditors in the amount of \$20,000, thereby securing a dividend to unsecured creditors. In order to satisfy any inquires with respect to Mr. Diemer's ability to fund this aspect of the Plan, the Debtor shall opened a second Debtor-in-Possession account which will be entitled "Plan Funding Account" and Mr. Diemer will deposit the sum of \$20,000 into such account on or about the date the Disclosure Statement is approved for adequacy.

Accordingly, the Plan Proponent believes, on the basis of the foregoing, that the Plan is feasible.

V.

EFFECT OF CONFIRMATION OF PLAN

A. Discharge

Because the Plan is a liquidating Plan, it does not provide that upon confirmation of the Plan, the Debtor will be discharged of liability for payment of debts incurred before confirmation of the Plan. Furthermore, any liability imposed by the Plan will not be discharged. If Confirmation of the Plan does not occur or if, after Confirmation occurs, the Debtor elects to

terminate the Plan, the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall be deemed to constitute a waiver or release of any claims against the Debtor or its estate or any other persons, or to prejudice in any manner the rights of the Debtor or its estate or any person in any further proceeding involving the Debtor or its estate. The provisions of the Plan shall be binding upon Debtor, all Creditors and all Equity Interest Holders, regardless of whether such Claims or Equity Interest Holders are impaired or whether such parties accept the Plan, upon Confirmation thereof.

B. Revesting the Property in the Debtor

Except as provided in the Plan, the confirmation of the Plan revests all of the property of the estate in the Debtor.

C. Modification of Plan

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

The Proponent may also seek to modify the Plan at any time after confirmation so long as (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modification after notice and a hearing. Proponent further reserves the right to modify the treatment of any Allowed Claims at any time after the Effective Date of the Plan upon the consent of the Creditor whose Allowed Claim treatment is being modified, so long as no other Creditors are materially adversely affected.

D. Post-Confirmation Conversion/Dismissal

A creditor or party in interest may bring a motion to convert or dismiss the case under Section 1112(b), after the Plan is confirmed, if there is a default in performance of the Plan or if

cause exists under Section 1112(b). If the Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revert in the Chapter 7 estate, and the automatic stay will be reimposed upon the revested property only to the extent that relief from stay was not previously granted by the Court during this case.

Quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) continue to be payable to the Office of the United States Trustee post-confirmation until such time as the case is converted, dismissed, or closed pursuant to a final decree.

FIRST PHILADELPHIA HOLDINGS, LLC

Date: 3/26/13

/s/ George M. Diemer

**GEORGE M. DIEMER, MANAGING
MEMEBER**