

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

Case No. 14-42315 (NHL)

GOLDEN LAND LLC,

Debtor.

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**DISCLOSURE STATEMENT FOR JOINT PLAN OF
REORGANIZATION**

Gregory Messer, Esq., the chapter 11 Trustee (the “Trustee”) of the estate of Golden Land LLC (the “Debtor”) submits this Disclosure Statement pursuant to Section 1125(b) of Title 11, United States Code, 11 U.S.C. §§ et seq. (the “Bankruptcy Code”) and Rule 3017 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), in connection with the Chapter 11 Joint Plan of Reorganization (the “Joint Plan”) filed by the Trustee and 37 Avenue Realty Associates LLC (“37 ARA”) dated February 4, 2015 (the “Joint Plan ”) to all known holders of Claims against or Interests in the Debtor in order to adequately disclose information deemed to be material, important and necessary for the Debtor’s creditors to make a reasonably informed judgment about the Joint Plan. A copy of the Joint Plan is attached hereto as Exhibit “A.”

The Bankruptcy Court has not yet approved this Disclosure Statement in this chapter 11 case under Section 1125(b) of the Bankruptcy Code. A hearing to consider confirmation of the Joint Plan will be set at a later date. Under Section 1126(b) of the Bankruptcy Code, only Classes of Allowed Claims that are “impaired” under the Joint Plan, as defined by Section 1124 of the Bankruptcy Code, are entitled to vote on the Joint Plan. Generally, a Class is impaired if its legal, contractual or equitable rights are altered or reduced under the Joint Plan. Under the Joint Plan,

Classes 1, 2 and 3 are impaired and thus entitled to vote. The Class 4 Interest holders are unimpaired under the Joint Plan and deemed to have accepted the Joint Plan.

I. INTRODUCTION

A. Background

Golden Land LLC (“Debtor” or “Golden Land”) is a limited liability company organized under the laws of the State of New York and maintains an office at 142-23 37th Avenue, Unit C-5, Flushing, New York 11354.

The Debtor is the owner of certain real property located at 142-21/27 37th Avenue, Queens, New York (the “Property”). The Property is the principal or sole asset of this bankruptcy estate. The Property is commercial investment property, consisting of four commercial condominium units, twenty-nine parking spaces, and eleven residential condominium units contained in the building known as the American-Chinese Tower Condominium.

The Debtor is the sponsor of the Property and was originally financed by Chinatrust Bank. The Debtor constructed the building in 2003 and sold 19 units over the next several years before falling into default with its lender at the time.

Chinatrust thereafter commenced a foreclosure action in 2012, and sometime shortly thereafter sold the loan and underlying loan documents to 37 ARA, an entity wholly unrelated to or affiliated with the Debtor or any of its principals or insiders.

In the foreclosure action, Lawrence Litwack (the “Receiver”) was appointed receiver of the Property and has been in exclusive possession and control of the Property, managing and maintaining the same since May 8, 2013 pursuant to an order of the Supreme Court of the State of New York, County of Queens, Index No.: 10438/ 2012, dated August 17, 2012, and entered

August 23, 2012 (the “Receivership Order”). Pursuant to the Receivership Order, the Receiver took possession and control of the Property and commenced his duties as receiver, including initiating efforts to collect the rents and profits generated from the Property, on or about May 8, 2013, and have remained in possession and control thereof since that time.

On February 28, 2014, 37 ARA, as substituted plaintiff for Chinatrust Bank, obtained entry of a judgment of foreclosure. As of the Petition Date, 37 ARA is owed the aggregate sum of \$13,368,147. 37 ARA believes the Property has a value in excess of \$15 million.

B. Commencement of the Chapter 11 Case

On May 8, 2014 (the “Petition Date”), the Debtor filed a voluntary petition for reorganization pursuant to Chapter 11 of the Bankruptcy Code.

On July 9, 2014, this Court entered an order [EFC Docket No. 17], pursuant to 11 U.S.C. §543(d)(1), excusing the Receiver from compliance with the turnover requirements of subsections (a), (b) and (c) of 11 U.S.C. § 543, and directed that the Receiver remain in possession and control of the Property pending further order of the Court.

By Order dated December 19, 2014, the Court directed the appointment of a Chapter 11 Trustee. By Order dated December 29, 2014, Gregory Messer, Esq., was appointed as the Chapter 11 Operating Trustee.

C. Employment of the Debtor’s Professionals

Shortly after being retained to substitute for Debtor’s initial attorney, Xiangang Gong, the Debtor filed an application to retain DDW as its bankruptcy counsel. An order granting the application was entered by the Court on September 6, 2014 [ECF Docket No. 32].

D. Employment of the Trustee's Professionals

Shortly after the appointment of the Trustee, the Trustee submitted an application to retain LaMonica Herbst & Maniscalco LLP as his counsel. An order granting the application was entered by the Court on January 26, 2015 [ECF Docket No. 52]. The Trustee will also be submitting an application to retain an accountant and broker to sell the Property.

E. Filing of Schedules of Assets and Liabilities and Statement of Financial Affairs

On October 17, 2014, the Debtor filed Amended Schedules of Assets and Liabilities, together with an Amended Statement of Financial Affairs (collectively, the "Schedules") [ECF Docket No. 37]. The Schedules are available on the Bankruptcy Court's website: www.nyeb.uscourts.gov (log-in and password required) or from counsel for the Trustee upon written request.

F. Establishment of a Claims Bar Date and Claims Process

37 ARA has heretofore filed a motion and obtained an order seeking to establish October 14, 2014 as the last date by which creditors may file proofs of claim in the Chapter 11 case (the "Bar Date"). The Order was entered on August 29, 2014 [ECF Docket No. 30].

G. The Sale of the Property

The Trustee has commenced the marketing of the Property for sale and will be submitting an application to retain The Besen Group as real estate broker/auctioneer in connection therewith.

H. Post-Petition Operations

The Receiver has continued to manage the Property which includes maintenance of the Property.

II. THE JOINT PLAN OF REORGANIZATION

THE FOLLOWING IS A BRIEF SUMMARY OF THE JOINT PLAN. THE JOINT PLAN REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT AND CREDITORS ARE URGED TO CONSULT WITH THEIR COUNSEL IN ORDER TO FULLY UNDERSTAND THE JOINT PLAN AND TO MAKE AN INTELLIGENT JUDGMENT CONCERNING IT. THE JOINT PLAN GOVERNS OVER ANY DISCREPANCY IN THIS SUMMARY.

The Joint Plan will be funded with the cash on hand with the Receiver or the Trustee and the net proceeds from the sale of the Debtor's Property. The sale of the Property (as more fully discussed in Article IV of the Joint Plan), following Confirmation of the Joint Plan, shall not be subject to any stamp or similar transfer tax pursuant to 11 U.S.C. § 1146(a) because it will be sold pursuant to the Joint Plan.

A. Treatment of Unclassified Claims under the Joint Plan

1. Allowed Administrative Claims other than Claims of Professionals: To the extent that any such Claims should exist, they shall be paid in the ordinary course and according to the terms and conditions of the respective contracts underlying such Claims.

2. Allowed Administrative Claims of Professionals: The Allowed Administrative Claims of DelBello Donnellan Weingarten Wise & Wiederkehr, LLP ("DDW"), shall be paid from the proceeds of either: (a) sale by the Trustee other than at the Auction; or (b) the Auction. Notwithstanding the foregoing, in the event that the Class 1 claimholder is not paid in full on account of its Secured Claim, DDW's net unpaid Administrative Claim shall be capped at \$10,000. The Allowed Administrative Claims of the Trustee and his retained and to be retained professionals shall be paid as a carveout by 37 ARA as follows: in the event 37 ARA Credit Bids its Secured Claim at \$13,000,000.00 or less, then from the proceeds of cash collateral/funds on hand with the Receiver 37 ARA shall pay the Trustee \$100,000.00, counsel to the Trustee,

LaMonica Herbst & Maniscalco up to \$50,000.00 and the accountant to the Trustee up to \$10,000.00 (in each case subject to the approval of 37 ARA or in the event of a dispute then an appropriate application(s) filed with the Court as to the disputed application) and the retained broker/auctioneer shall be paid \$7,500. In the event that the sale of the Property exceeds \$13,000,000.00 and a first bid of \$13,250,000.00 is tendered, in accordance with the proposed Bid Procedures, then the Trustee shall be paid \$125,000.00, plus 10% percent of any amount that exceeds \$13,250,000.00 up to the maximum amount of the Trustee's commissions and the carve-out for the Trustee's attorneys and the Trustee's accountant shall remain unchanged. In addition the retained broker/auctioneer shall be paid 1½ percent of the gross sales price, plus a 1% buyer's premium, in the event that the Property is sold for \$13,250,000.00 or more. The Trustee, the Trustee's retained counsel, Debtor's counsel, and Trustee's accountant reserve their respective rights to seek the full amount of their commissions, fees and expenses from other funds that may come into this estate or in the event that the cash on hand with the Trustee or the Receiver and the sale proceeds for the Property exceed the amount of the 37 ARA Allowed Secured Claim.

3. United States Trustee's Fees: Under the Joint Plan, all United States Trustee statutory fees arising under 28 U.S.C. § 1930 and 31 U.S.C. § 3717 prior to confirmation shall be paid in full by the Effective Date in accordance with the other provisions of this Joint Plan. In the event that the Class 1 claim holder is the successful bidder at the Auction, the Class 1 Claim holder shall pay from the cash on hand with the Trustee or the Receiver all outstanding United States Trustee Fees. In the event a third party is the successful bidder at the Auction such party shall be responsible for the payment of all outstanding United States Trustee Fees.

4. Allowed Administrative Claims of the Receiver: The Allowed Claims of the Receiver and the Receiver's professionals shall be paid in full from either (a) funds on hand with

the Receiver or the Trustee or the proceeds from the sale upon the later of (a) allowance by the State Court or (b) the Sale Closing Date. Such Claims, including the Claims of the Receiver's managing agent, total as of the Petition Date approximately \$41,750.

5. Allowed Priority Claims: Allowed Priority Claims pursuant to 11 U.S.C. § 507(a)(8), including Allowed Priority Tax Claims based upon any administrative claims of the City of New York for, inter alia, water and sewer assessments, real estate taxes, violations and ECB judgments, shall be paid in full, in cash on the Sale Closing Date by either 37 ARA, if it is the successful bidder or such other successful bidder at the Auction, as applicable.

B. Treatment of Classes

Class 1: the Allowed Secured Claim of 37 ARA, together with any unpaid interest, costs and reasonable attorneys' fees accrued thereon through the Sale Closing Date, estimated to be in the aggregate approximate amount of \$14,500,000.00, shall be paid in full on the Sale Closing Date. Interest shall accrue on the 37 ARA Allowed Secured Claim at the rate of 9% per annum. In the event that a Sale Contract has not been approved on or before **April 1, 2015**, the Trustee shall conduct a public auction no later than **April 15, 2015** and close on such transaction on or before **May 15, 2015**. 37 ARA shall have the right to Credit Bid the full amount of the 37 ARA Allowed Secured Claim at an auction. The 37 ARA Allowed Secured Claim is impaired under the Joint Plan under Section 1124 of the Bankruptcy Code. For the avoidance of doubt, funds on hand with the Receiver shall be used in the first instance to satisfy the Class 1 Claim to the extent not otherwise paid in full.

Class 2: The Allowed Secured Claims of AC Tower Condominium, the Debtor's Condominium Association, estimated in the approximate amount of \$233,500, shall be paid up to the Allowed amount of its Claims, on or before the Sale Closing Date, from the proceeds of

either (a) a sale of the Property by the Trustee other than at the Auction or (b) the Auction, to the extent proceeds are available after payment of all non-classified, Administrative and Class 1 Claims in full. Class 2 Claims are impaired under this Joint Plan.

Class 3: Allowed Unsecured Claims against the Debtor, if any, shall receive a pro rata portion of the remaining proceeds from the sale of the Property as may be the case, after the payment of all unclassified, Administrative, Priority, post-Effective Date legal fees and Class 1 and 2 Claims, within fourteen (14) business days of the Sale Closing Date. In the event that the 37 ARA Allowed Secured Claim is satisfied absent and in lieu of a sale of the Property or Auction under this Joint Plan, Allowed Class 3 Claims shall receive up to 100% of their Allowed Claims, in cash, from the Debtor's operating cash flow except that all Allowed Class 3 Claims must be paid in full upon any future sale of the Property. Class 3 Allowed Unsecured Claims are impaired under this Joint Plan. The Debtor believes there are no such Claims.

Class 4: Allowed Interests shall retain their membership interests in the Debtor and shall receive a pro rata portion of the remaining proceeds of the sale, after the payment in full of all unclassified Claims and Class 1, Class 2 and Class 3 Allowed Claims and any post-Effective Date legal fees and costs of the Debtor's estate, based upon the particular percentage of Interest held. Class 4 Interest holders are unimpaired and are deemed to have accepted the Joint Plan under Section 1124 and 1126 of the Bankruptcy Code.

C. Means For Execution And Implementation Of The Joint Plan

The Joint Plan shall be funded with the cash on hand with the Receiver and the net proceeds of the sale of the Property. All distributions shall be made by the Trustee in accordance with Article III herein, except that to the extent that a Claim becomes an Allowed Claim after the Effective Date, within fourteen (14) days after the order allowing such Claim becomes a Final

Order.

Means for Implementation: Sale or Auction. Subject to the time deadlines set forth in Article IV of the Joint Plan, the Trustee shall market the Property and shall engage a real estate broker and auctioneer to assist in such efforts, in order to sell and liquidate the Property for the highest and best price on or before the Sale Closing Date. Upon Closing, the proceeds of sale shall be distributed to holders of Claims and Interests in the same manner as provided for in Article III herein.

In the event that a Sale Contract has not been approved on or before **April 1, 2015**, the Trustee shall conduct a public auction of the Property on or before **April 15, 2015**.

The sale of the Property, whether pursuant to a Sale Contract or public auction shall be free and clear of any and all Claims, liens, encumbrances, equities and Interests of any nature or kind (collectively, “Liens”) and shall constitute a sale and assignment under §§ 105, 365, 363(b), 363(f), 1123(b)(4) and 1129 of the Code. Nothing set forth herein shall prevent a sale and assignment subject to certain Liens, provided that the purchaser and the holder of the Lien provides their consent in writing-and the 37 ARA Allowed Secured Claim is paid in full.

At an auction conducted pursuant to subsections 4.2(b) of the Joint Plan or otherwise, 37 ARA shall be entitled to and have the absolute right to Credit Bid the full amount of the 37 ARA Allowed Secured Claim.

At an auction:

(i) If 37 ARA is the highest bidder, no deposit shall be required and the payment of the purchase price shall be deemed paid by 37 ARA by the Credit Bid except that 37 ARA shall also be responsible to pay, at Closing, any unpaid United States

Trustee's Fees through the Closing and the administrative payments set forth in Section 3.1 of the Joint Plan;

(ii) If 37 ARA (or its nominee) is not the highest bidder, immediately following the auction, the Third Party Highest Bidder, shall execute the Sale Contract which shall provide, among other things, that: (i) a Closing of the sale will occur on or, at the option of the successful bidder, before the twenty-fifth day after the date of the auction; and (ii) that time is of the essence with respect to the Closing date.

(iii) Any successful bidder shall be responsible to pay, at Closing, any unpaid United States Trustee's Fees incurred through the entry of a final decree closing the Chapter 11 Case, Claims arising out of real estate taxes, ECB judgments, water and sewer and other City of New York administrative Claims or assessments.

(iv) If the Third Party Highest Bidder defaults under the Sale Contract, the Trustee will be entitled to keep the deposit for distribution under the Joint Plan.

(v) The Trustee shall reserve the second highest bidder's Deposit. If 37 ARA (or its nominee) does not purchase the Property at the auction and the Third Party Highest Bidder is unable to close on the Closing date, the Trustee shall contact the second highest bidder and enter into a Sale Contract of the amount of such bid; provided however, that the Sale Contract with the second highest bidder shall comply with the provisions of the Joint Plan, which sale must Close within twenty-five (25) days after execution of such contract.

Bid Procedures. The Bid Procedures shall be as set forth in the Disclosure Statement Approval Order, but shall include the following:

The Property will be advertised and marketed for sale by a broker or auctioneer in a commercially reasonable manner common in the industry.

The Property will be sold at the Auction to be held at the offices of Klestadt Winters Jureller Southard & Stevens LLP 570 Seventh Avenue, 17th Floor, New York, NY 10018, at 11:00 a.m. on or before **April 15, 2015**;

Only Qualified Bidders shall be permitted to bid at the Auction. 37 ARA shall be deemed a Qualified Bidder and all other Qualified Bidders shall be deemed Qualified Competing Bidders. 37 ARA shall provide an initial Credit Bid of \$13,000,000. In order to be a Qualified Competing Bidder, an Entity shall:

- a. submit an all cash offer for the Property, without financing or due diligence contingencies, of not less than \$13,250,000 in cash, plus a one (1%) buyers premium on the amount of their bid and assumption of all Claims arising from outstanding administrative Claims of the City of New York for, inter alia, water and sewer assessments, real estate taxes, violations and ECB judgments;
- b. provide financial information to the Plan Proponents which fairly demonstrates its ability to close on its purchase of the Property;
- c. submit a deposit in the amount of \$500,000.00 (the "Deposit");
- d. consent to a Closing on the purchase of the Property on the later of the date the Confirmation Order becomes a Final Order unless the Confirmation Order provides for §363(m) protection or fourteen (14) days after the entry of the Confirmation Order;
- e. acknowledge that if it becomes the Successful Purchaser, its Deposit shall be deemed to be non-refundable and shall be forfeited if it fails to close for any reason.
- f. if a Qualified Competing Bidder does not become the Successful Purchaser, its Deposit shall be returned to it within the earlier of (i) three Business Days after the Closing of a sale of the Property to the Successful Purchaser; or (ii) 30 days after the date of the Auction, and this provision applies to all bids;
- g. 37 ARA shall be permitted to Credit Bid all or any portion of the 37 Avenue Allowed Secured Claim up to the full amount of the 37 ARA Allowed Secured Claim and such Credit Bid shall be deemed to be a Cash bid;
- h. subsequent bids made at the Auction shall be in minimum increments of \$25,000 or such lesser amount as the Trustee deems appropriate;

i. at such time as it appears to the Trustee's counsel, in the exercise of its reasonable discretion, that none of the Qualified Bidders present at the Auction are prepared to advance the bidding, the Trustee's counsel shall (after giving fair warning, on the record, to those Entities present) close the bidding on the record and the Entity which immediately prior to the close of the bidding shall have submitted the highest or best offer for the purchase of the Property shall be declared the Successful Purchaser and its bid the "Accepted Bid." The Trustee shall submit an Order to the Bankruptcy Court confirming the sale to the Successful Purchaser and as part of that Order shall seek approval of granting the Successful Purchaser the protections under §363(m) of the Bankruptcy Code.

Transfer of Assets. On the Effective Date, the Property shall be transferred to the Successful Purchaser, upon the terms and conditions and otherwise in accordance with the Joint Plan. In connection therewith, the Successful Purchaser shall receive:

a) a Trustee's deed to the Property in form and substance acceptable to the Successful Purchaser, executed by the Trustee to be recorded in the appropriate register's office (the "Deed"), free and clear of all Liens, Claims and encumbrances, except as otherwise set forth in the Joint Plan;

b) a bill of sale in form and substance acceptable to the Successful Purchaser, executed by the Trustee, transferring to the Successful Purchaser all personal property used in or useful to the operation and maintenance of the Property;

c) an assignment in form and substance acceptable to Purchaser, executed by the Trustee in favor of the Successful Purchaser, assigning any Executory Contract which the Successful Purchaser elects in writing prior to the Confirmation Date to be so assigned; and

d) an assignment in form and substance acceptable to Successful Purchaser, executed by the Trustee in favor of the Successful Purchaser, assigning all unexpired leases and leases not foreclosed by the State Court Judgment, tenant security deposits, licenses, approvals, permits and similar authorizations, and any pending application for any of the foregoing.

Application of 1146(a) Exemption. The Joint Plan expressly contemplates the sale of the Property on or after the Effective Date. The post-Effective Date sale shall therefore not be taxed under any law imposing a stamp or similar tax as provided for in Section 1146(a) of the Code including (a) the transfer of the Property; (b) the creation of any mortgage, deed of trust, lien,

pledge or other security interest; (c) the making or assignment of any contract, Lease or sublease; or (d) the making or delivery of any deed or other instrument or transfer under, in furtherance of, or in connection with the Joint Plan. All such transfers, assignments and sales will not be subject to any stamp tax, or other similar tax held to be a stamp tax or other similar tax by applicable law.

D. Resolution Of Disputed Claims & Reserves

(a) Objections. An objection to the allowance of a Claim shall be in writing and may be filed with the Bankruptcy Court by the Trustee or 37 ARA no later than the Confirmation Date.

(b) Amendment of Claims. A Claim may not be amended after the Effective Date unless agreed upon, in writing, by the Trustee and the holder of such Claim and as approved by the Bankruptcy Court or as otherwise permitted by the Code and Bankruptcy Rules.

(c) Reserve for Disputed Claims. The Trustee shall reserve, on account of each holder of a Disputed Claim, that property which would otherwise be distributable to the holder on such date were the Disputed Claim at issue an Allowed Claim at the time of distribution, or such other property as the holder of the Disputed Claim at issue and the Trustee may agree upon. The property so reserved for the holder, to the extent that the Disputed Claim is Allowed, and only after the Disputed Claim becomes a subsequently Allowed Claim, shall thereafter be distributed to such holder as provided below.

(d) Distributions to Holders of Subsequently Allowed Claims. Unless another date is agreed on by the Trustee and the holder of a particular subsequently Allowed Claim, the Trustee shall, within fourteen (14) days after an Order resolving the Disputed Claim becomes a Final Order, distribute to such holder with respect to such subsequently Allowed Claim that amount, in

cash, from the cash held in reserve for such holder and, to the extent such reserve is insufficient, from any other source of cash otherwise available to the Trustee, equal to that amount of cash which would have been distributed to such holder from the Effective Date through such distribution date had such holder's subsequently Allowed Claim been an Allowed Claim on the Effective Date. The holder of a subsequently Allowed Claim shall not be entitled to any additional interest on the Allowed Amount of its Claim, regardless of when distribution thereon is made to or received by such holder.

(e) Disputes Regarding Rights to Payments or Distribution. In the event of any dispute between and among holders of Claims and/or Interests (including the individual or entity or entities asserting the right to receive the disputed payment or distribution) as to the right of any entity to receive or retain any payment or distribution to be made to such entity under the Joint Plan, the Trustee may, in lieu of making such payment or distribution to such entity, remit the disputed portion of the Claim into an escrow account or to a distribution reserve as ordered by a court of competent jurisdiction or as the interested parties to such dispute may otherwise agree among themselves. Notwithstanding anything to the contrary, the Trustee shall make timely distributions on account of the undisputed portion of a Claim or Interest to such claimants.

(f) Claims Procedures Not Exclusive. All of the aforementioned Claims procedures are cumulative and not necessarily exclusive of one another. On and after the Confirmation Date, Claims which were previously disputed may subsequently be compromised, settled, withdrawn, or otherwise resolved without further order of the Bankruptcy Court.

E. Amendment, Modification, Withdrawal or Revocation of the Joint Plan.

The Trustee reserves the right, in accordance with the Section 1127 of the Bankruptcy Code, to amend or modify the Joint Plan with such Order of the Bankruptcy Court, as may be required.

The Trustee may withdraw or revoke the Joint Plan prior to the Confirmation Date. If such a withdrawal or revocation occurs, or if Confirmation does not occur, the Joint Plan will be null and void. In such event, nothing contained in the Joint Plan will constitute a waiver or release of any Claim by or against the Trustee or any other person or to prejudice in any manner the rights of the Trustee or any other person in any further proceedings involving the Trustee.

F. Unclaimed Property

Except as otherwise provided herein, in the event any claimant fails to claim any distribution within four (4) months from the date of such distribution, such claimant shall forfeit all rights thereto and to any and all future payments, and thereafter the Claim for which such cash was distributed shall be treated as a disallowed Claim. Distributions to claimants entitled thereto shall be sent to their last known address set forth on the most recent proof of claim filed with the Bankruptcy Court or, if no proof of claim is filed, on the Schedules filed by the Trustee or to such other address as may be later designated by a creditor in writing. The Trustee shall use his best efforts to obtain current addresses for all claimants. All unclaimed cash shall be redistributed under the Joint Plan to those creditors then entitled to a distribution.

G. Joint Plan Injunction

Effective on the Confirmation Date, all persons who have held, hold or may hold Claims or Interests are enjoined from taking any of the following actions against or affecting the Trustee or assets of the Debtor with respect to such Claims, Interests or Administrative Claims, except as

otherwise set forth in the Joint Plan, and other than actions brought to enforce any rights or obligations under the Joint Plan or appeals, if any, from the Confirmation Order:

(i) Commencing, conducting or continuing in any manner, directly or indirectly, any suit, action, arbitration, or other proceeding of any kind against the Trustee, the Debtor or the assets of the Debtor regarding the Claims or Interests;

(ii) Enforcing, levying, attaching, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Trustee, the Debtor, and the assets of the Debtor;

(iii) Creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Trustee, the Debtor, and the assets of the Debtor;

(iv) Asserting any setoff, right of subrogation, or recoupment of any kind, directly or indirectly, against the Trustee, the Debtor, and the assets of the Debtor; and

(v) Proceeding in any manner and any place whatsoever that does not conform to or comply with the provisions of the Joint Plan.

H. Exculpation.

Neither the Trustee nor any of professionals or representatives and assigns (the “Released Parties”) shall have or incur any liability to any entity for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, Confirmation or consummation of the Joint Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the chapter 11 case or the Joint Plan except with respect to their obligations under the Joint Plan and any related agreement or for bad faith, willful misconduct, gross negligence, breach of fiduciary duty, malpractice, fraud, criminal conduct, unauthorized use

of confidential information that causes damages, and/or ultra vires acts. Notwithstanding any other provision hereof, nothing in Sections 7.2 or 7.3 of the Joint Plan shall (a) effect a release of any claim by the United States Government or any of its agencies or any state and local authority whatsoever, including, without limitation, any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority against the Released Parties, nor shall anything in Sections 7.2 or 7.3 of the Joint Plan enjoin the United States or any state or local authority from bringing any claim, suit, action or other proceedings against any of the Released Parties referred to herein for any liability whatever, including, without limitation, any claim, suit or action arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority, nor shall anything in Section 7.2 of the Joint Plan exculpate any party from any liability to the United States Government or any of its agencies or any state and local authority whatsoever, including liabilities arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority against the Parties referred to herein or (b) limit the liability of the Trustee's professionals to the Trustee pursuant to Rule 1.8(h)(1) of the New York Rules of Professional Conduct.

I. Full and Final Satisfaction

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

J. Retention of Jurisdiction

The Bankruptcy Court shall retain jurisdiction of the chapter 11 case:

- (a) To determine all controversies relating to or concerning the allowance of and/or

distribution on account of such Claims or Interests upon objection thereto which may be filed by the Trustee or 37 ARA;

(b) To determine requests for payment of Claims entitled to priority under Section 507(a)(2) of the Bankruptcy Code, including any and all applications for compensation for professional and similar fees which may be required;

(c) To determine any and all applications, adversary proceedings, and contested or litigated matters over which the Bankruptcy Court has subject matter jurisdiction pursuant to 28 U.S.C Sections 157 and 1334;

(d) To determine all disputed, contingent or unliquidated Claims and all disputed Interests;

(e) To determine requests to modify the Joint Plan pursuant to Section 1127 of the Bankruptcy Code or to remedy any defect or omission or reconcile any inconsistencies in this Joint Plan or Confirmation Order to the extent authorized by the Bankruptcy Code;

(f) To make such orders as are necessary or appropriate to carry out the provisions of the Joint Plan;

(g) To resolve controversies and disputes regarding the interpretation or enforcement of the terms of the Joint Plan;

(h) To determine any and all pending motions and applications for assumption or rejection of executory contracts and leases and the allowance and classification of any Claims resulting from the rejection of executory contracts and leases;

(i) To resolve any disputes which may arise concerning the sale or auction of the Property or satisfaction of the 37 ARA Allowed Secured Claim as required under the Joint Plan;

(j) To determine such other matters as may be provided for in the order of the Bankruptcy Court confirming the Joint Plan or as may be authorized under the provisions of the Bankruptcy Code; and

(h) To enter a final decree closing this chapter 11 case.

K. Post-Confirmation Fees, Final Decree

The Trustee, after consulting 37 ARA shall be authorized to pay the commissions, compensation and out-of-pocket expenses under Section 3.1 of the Joint Plan. Such amounts shall be paid by the Trustee within fourteen (14) days upon presentation of invoices for such commissions, compensation and out-of-pocket expenses. All disputes concerning commissions, compensation and out-of-pocket expenses shall be subject to Bankruptcy Court jurisdiction.

A final decree shall be entered as soon as practicable after distributions have commenced under the Joint Plan.

L. Continuation of Bankruptcy Stays

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

M. Avoidance and Recovery Actions

The Debtor believes, after a thorough investigation and review with its counsel, that there are no causes of action under Sections 544, 547, 548, 550 and 553 of the Bankruptcy Code. The Trustee will review that investigation and determine if any claims exist that should be pursued.

N. Treatment of Executory Contracts

Unless rejected by a prior order of the Court, in the event that leases, if any, have not been terminated, the leases for the Tenants at the Property shall be assumed and assigned to the

Successful Bidder and the successful bidder shall take subject to the rights and interests of such tenants, if any.

The invalidity of the leases held by tenants Al Yueh Chang, Yu Ying Chen, Mei Di Kui and AC Tower Condominium, Inc, were all expressly determined by the State Court Judgment issued and entered in the State Court Foreclosure Action and, upon sale of the Property pursuant to the Joint Plan, said leases and the interest of said tenants in the Property pursuant thereto, if any, shall be deemed foreclosed, terminated, and forever extinguished in accordance with the provisions of the State Court Judgment. The Confirmation Order shall provide that the United States Marshal or its designee shall be authorized and directed to give assistance to the Trustee, 37 ARA or the Successful Bidder if necessary subsequent to the Effective Date to enforce eviction from the Property and deliver possession to the Successful Purchaser.

Any person or entity whose Claim arises from rejection of an executory contract shall, to the extent such Claim becomes an Allowed Claim, have the rights of a holder of an Unsecured Claim in Class 3 with respect thereto.

Any person or entity who has a Claim against the Debtor by virtue of rejection of an executory contract may file a Claim with the Clerk of the Court, and service such claim upon counsel for the Trustee and 37 ARA, within twenty-five days (25) days following service upon such person or entity of notice of entry of the order confirming the Joint Plan or order authorizing such rejection, whichever is later. If such Claim is not filed within such specified time, it shall forever be barred from assertion against the Debtor.

III. FINANCIAL INFORMATION

A. The Debtor's Schedules of Assets and Liabilities.

Schedules have been filed with the Clerk of the Court and may be inspected by all interested parties.

B. Chapter 7 Liquidation Analysis.

The Joint Plan provides for liquidation of all assets of the Debtor, and therefore under a Chapter 7 liquidation, the creditors would receive the same amount as under the Joint Plan, less the administrative costs of the Chapter 7 Trustee and his or her counsel.

IV. CONFIRMATION PROCEDURE

A. Voting.

As set forth hereinabove and in the Joint Plan, Classes 1, 2 and 3 are impaired, and accordingly, all such Classes will be solicited to vote on the Joint Plan.

B. Confirmation Hearing.

The Bankruptcy Code requires the Bankruptcy Court to hold a hearing on Confirmation of the Joint Plan. The Confirmation hearing has been scheduled for the date set forth on the Court Order which accompanies this Disclosure Statement. The Confirmation hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjournment made at the Confirmation hearing. At the Confirmation hearing, the Bankruptcy Court will (i) hear and determine any objections to the Joint Plan and to Confirmation of the Joint Plan; (ii) determine whether the Joint Plan meets the requirements of the Bankruptcy Code and has been proposed in good faith; and (iii) confirm or refuse to confirm the Joint Plan.

C. Statutory Requirements for Confirmation of the Joint Plan

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

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

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

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

(d) Any payment made or promised to be made by the Trustee under the Joint Plan for services or for costs and expenses in, or in connection with, the chapter 11 case, or in connection with the Joint Plan and incident to the chapter 11 case, has been disclosed to the Bankruptcy Court, and any such payment made before Confirmation of the Joint Plan is reasonable, or if such payment is to be fixed after Confirmation of the Joint Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

(e) The Trustee has disclosed the identity and affiliation of any individual proposed to serve, after Confirmation of the Joint Plan, as a director, officer, or voting trustee of the Debtor under the Joint Plan. Moreover, the appointment to, or continuance in, such office of such individual, is consistent with the interests of holders of Claims and Interests and with public policy. Since the Joint Plan contemplates a liquidation of the Debtor's Property, the Trustee does

not and will not operate or generate income, there shall be no post-Confirmation compensation by the Trustee to the Debtor's existing management.

(f) Feasibility and "Best Interest" Tests: The Bankruptcy Code requires that in order to confirm the Joint Plan, the Bankruptcy Court must find that confirmation of the Joint Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Debtor (the "Feasibility Test").

For a Joint Plan to meet the Feasibility Test, the Bankruptcy Court must find that the Debtor will possess the resources to meet its obligations under the Joint Plan. Since the Joint Plan contemplates a liquidation of the Debtor's assets, Confirmation of the Joint Plan is not likely to be followed by the need for further financial reorganization of the Debtor or any successor to the Debtor under the Joint Plan. Until such time as the assets of the Debtor are fully liquidated, the Trustee has provided for ample reserves to ensure that there is sufficient cash on hand to satisfy the basic and critical expenses of the Debtor.

In addition, the Bankruptcy Court must determine that the values of the distributions to be made under the Joint Plan to each Class will equal or exceed the values which would be allocated to such Class in liquidation under Chapter 7 of the Bankruptcy Code (the "Best Interest Test"). The Best Interest Test with respect to each impaired Class requires that each holder of a Claim or Interest in such Class either (i) accept the Joint Plan or (ii) receive or retain under the Joint Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

The Joint Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, including the "best interest" and feasibility requirements. The Joint Plan is "fair and equitable" and "does not discriminate unfairly". The Joint Plan complies with all other

requirements of Chapter 11 of the Bankruptcy Code and the Joint Plan has been proposed in good faith.

D. Objections to Confirmation.

Objections to confirmation must be in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim held by the objector. Any such objection must be filed with the Bankruptcy Court and served upon the following, with a copy to the Court's chambers, so that it is received by them on or before 4:00 P.M. on the date set forth in the Court Order which accompanies this Disclosure Statement:

LaMonica Herbst & Maniscalco LLP
3305 Jerusalem Avenue
Wantagh, New York 11793
Attn: Gary F. Herbst, Esq.

Objections to confirmation of the Joint Plan are governed by Federal Rule of Bankruptcy Procedure 9014.

**V. ALTERNATIVES TO CONFIRMATION
AND CONSUMMATION OF THE JOINT PLAN.**

If the Joint Plan is not confirmed and consummated, the alternatives include: (i) preparation and presentation of an alternative Joint Plan of reorganization; (ii) liquidation of the Debtor under Chapter 7 of the Bankruptcy Code; or (iii) dismissal of the Chapter 11 case, which would result in all creditor claims and rights of collection and enforcement being restored in full.

VI. POST-CONFIRMATION REPORTS

The Trustee shall be responsible for filing post-confirmation reports with the Bankruptcy Court and the Trustee shall effectuate payment from 37 ARA or the Successful Bidder of all quarterly fees required under 28 U.S.C. § 1930 and applicable interest under 31 U.S.C. § 3717,

until the earlier of (a) conversion or dismissal of this chapter 11 case or (b) entry of a final decree closing this chapter 11 case.

VII. TAX CONSEQUENCES

A. Tax Consequences of Confirmation.

Confirmation may have federal income tax consequences for the Debtor and holders of Claims and Interests. The Trustee has not obtained and does not intend to request a ruling from the Internal Revenue Service, nor has the Trustee obtained an opinion of counsel with respect to any tax matters. Any federal income tax matters raised by Confirmation of the Joint Plan are governed by the Internal Revenue Code and the regulations promulgated thereunder. The Debtor, creditors and holders of Interests are urged to consult their own counsel and tax advisors as to the consequences to them, under federal and applicable state, local and foreign tax laws, of the Joint Plan. The following is intended to be a summary only and not a substitute for careful tax planning with a tax professional. The federal, state and local tax consequences of the Joint Plan may be complex in some circumstances and, in some cases, uncertain. Accordingly, each holder of a Claim or Interest is strongly urged to consult with his or her own tax advisor regarding the federal, state and local tax consequences of the Joint Plan, including but not limited to the receipt of cash under this Joint Plan.

B. Tax Consequences to the Debtor.

The Debtor may not recognize income as a result of the discharge of debt pursuant to the Joint Plan because Section 108 of the Internal Revenue Code provides that taxpayers in bankruptcy proceedings do not recognize income from discharge of indebtedness. However, a taxpayer is required to reduce its "tax attributes" by the amount of the debt discharged. Tax attributes are reduced in the following order: (i) net operating losses; (ii) general business

credits; (iii) capital loss carryovers; (iv) basis in assets; (v) passive activity loss and credit carryovers; and (vi) foreign tax credit carryovers.

VIII. NOTICES

All notices and correspondence should be forwarded in writing to:

If to the Trustee:

Gregory Messer Esq.
26 Court Street, Suite 2400
Brooklyn, New York 11242

with a copy to:

LaMonica Herbst & Maniscalco LLP
3305 Jerusalem Avenue
Wantagh, New York 11793
Attn: Gary F. Herbst, Esq.

If to 37 ARA:

c/o Klestadt Winters Jureller Southard & Stevens, LLP
570 Seventh Avenue, 17th Floor
New York, NY 10018
Attn: Tracy L. Klestadt, Esq.

X. RECOMMENDATION

The Trustee believes that Confirmation of the Joint Plan is preferable to any of the alternatives described above. The Joint Plan will provide greater recoveries than those available in liquidation to all holders of Claims. Any other alternative would cause significant delay and uncertainty, as well as substantial additional administrative costs.

Dated: Brooklyn, New York
February 4, 2015

GOLDEN LAND, LLC

By: /s/ Gregory Messer
Gregory Messer, Chapter 11 Trustee

LaMonica Herbst & Maniscalco, LLP
Attorneys for the Trustee

By: /s/ Gary F. Herbst
Gary F Herbst, Esq.
3305 Jerusalem Avenue
Wantagh, New York 11793
(516) 826-6500