

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE
(COOKEVILLE DIVISION)**

In re:)
) Case No. 12-05701
JEDD, LLC,) Chapter 11
) Judge Lundin
Debtor.)

AMENDMENT TO JEDD, LLC'S OCTOBER 18, 2012 DISCLOSURE STATEMENT

Comes JEDD, LLC, and hereby amends its Disclosure Statement to Accompany Chapter 11 Plan of Liquidation Dated October 18, 2012 (the "Disclosure Statement") (Docket No. 38), as follows:

I. In Article III, Progress of the Chapter 11 Case to Date, the fourth and fifth paragraphs are deleted and replaced with the following:

"In compliance with the guidelines with the Office of the United States Trustee, the Debtor filed on July 16, 2012, August 15, 2012, September 17, 2012, October 15, 2012, November 15, 2012, December 17, 2012, January 17, 2013, and February 15, 2013 monthly operating reports detailing results of operations of the Debtor during the post-petition period. The monthly operating reports are available for viewing on the Court's CM/ECF website or in the Document Depository referenced above.

In accordance with 11 U.S.C. § 521 and Bankruptcy Rule 1007, JEDD filed on July 6, 2012 its Schedules of Assets, Liabilities and Executory Contracts and its Statements of Financial Affairs. These detailed Schedules and Statements describe the Debtor's ownership interests; the Debtor's debts owed to secured claim holders, priority claim holders and unsecured claim holders; the equity interests held in the Debtor; and descriptions of the Debtor's ongoing business affairs. The Schedules and Statements were amended on February 19, 2013. These

Schedules and Statements are available for inspection on the Court’s CM/ECF website or in the Document Depository. Further information concerning the Debtor’s Schedules and Statements may be found in Articles IV and V below.”

II. The table of assets appearing in Article IV, Assets of the Debtor, is deleted and replaced with the following:

<u>“Asset</u>	<u>Book Value</u>
Utility and Lease Security Deposits:	\$ 150.00
Accounts Receivable from HB Sconyers Suit:	10,000.00
Accounts Receivable from Employee Loans:	26,674.00
Vehicles:	23,652.00
Office Equipment	24,852.00
Timber	417,734.00
Natural Gas Rights	543,559.00
JEDD Office Building:	175,000.00
Island & VP (Real Estate)	5,241,430.00
River Park (Real Estate)	2,822,400.00
Clear Fork (Real Estate)	2,344,240.00
Hitchin Post (Real Estate)	<u>750,000.00</u>
Total:	\$12,379,961.00”

III. In Article V, Liabilities of the Debtor, the second paragraph of Subsection C is deleted and replaced with the following:

“As noted above, JEDD has employed Gullett, Sanford, Robinson & Martin, PLLC (“GSR&M”) of Nashville, Tennessee as its attorneys during the Chapter 11 case. GSR&M has

accrued certain legal fees and expenses during its representation of JEDD. Such fees and expenses, if allowed by the Court, are entitled to administrative expense priority. The Debtor is not permitted to pay such fees and expenses until GSR&M has filed an appropriate application for compensation and reimbursement of expenses, and such application is approved by the Court after notice and an opportunity for hearing. On November 21, 2012, GSR&M submitted an application seeking allowance of fees in the amount of \$56,712.50 and expenses in the amount of \$890.61, for a total of \$57,603.11 entitled to administrative expense priority if allowed. After notice and an opportunity for hearing, the Court allowed these fees and expenses by its Order of December 14, 2012. Additional fees and expenses incurred by GSR&M and allowed by the Court will likewise be entitled to administrative expense priority. Prior to the Petition Date herein, the Debtors remitted to GSR&M \$100,000.00, a portion of which (\$9,865.00) was used to pay for services rendered by GSR&M up to the Petition Date. Filing fees for filing the Chapter 11 case, totaling \$1,046.00, were also paid from the pre-petition remittance. Thus, as of the Petition Date, GSR&M held the balance (\$89,089.00) as a retainer in this case. The fees and expenses allowed by the Order entered December 14, 2012 (see above) were paid from the retained funds. Thus, GSR&M presently holds the balance (\$31,485.89) as a retainer in this case.”

IV. In Article VIII, Implementation of the Chapter 11 Plan of Liquidation, the introduction, Subsection A, Subsection B, and Subsection D of Article VIII are deleted and replaced with the following:

“In general, this Plan is a plan of liquidation. The means for the execution of the Plan include the surrender of collateral to each of the four (4) secured creditors by foreclosure or transfer as described below, the liquidation of any assets of the Debtor by a Liquidating Agent,

the distribution of such proceeds first to priority claimants and then to non-insider unsecured creditors, the execution of new promissory notes in favor of the Debtor's secured creditors by the Guarantors, payments on the new promissory notes to satisfy guaranty obligations, and the dissolution of the Debtor under Tennessee law. The particulars of the foregoing are set forth below.

A. Surrender of collateral to secured creditors by foreclosure or transfer. As demonstrated in the Schedules of Liabilities filed by the Debtor, the improved and unimproved real property owned by the Debtor is encumbered by liens held by four (4) secured creditors. On or after the Effective Date of the Plan, and no later than eighteen (18) months after the Effective Date of the Plan, the secured creditors may execute one of the following options: 1) the creditors may foreclose on the parcels of property in which they have security interests without opposition from the Debtor, or 2) the Debtor will transfer by deeds its parcels of real property to the secured lenders which hold liens on the parcels. The actual timing of each foreclosure or transfer shall be at the discretion of the secured lender which holds the lien on the subject parcel. The surrender by transfer or foreclosure of the real property to each such secured lender, coupled with the payments described below on new promissory notes, shall satisfy in full all obligations owed by the Debtor – and any guarantor of the obligations of the Debtor – to the secured lenders.

During the period following the Effective Date of the Plan but before the date each secured lender determines to foreclose or to have its collateral conveyed to it (i.e., while a property is still held by the Debtor), Ed Wiley and Paul Gates shall use their best efforts to liquidate the real property to realize the highest possible return to satisfy the secured debt, inclusive of the obligations incurred in the new promissory notes described in paragraph 3 below.

B. Liquidation of other assets. The Debtor is the owner of certain personal property, as well as an account receivable against a former business colleague. These personal property assets will be liquidated by the Debtor. The proceeds of the liquidation, including any proceeds from the successful prosecution of a lawsuit to collect the receivable owed to the Debtor, will be combined into a Liquidation Fund, administered by Mr. Paul Gates (the “Liquidating Agent”), the vice president of operations of the Debtor. The Liquidating Agent may enlist, at his discretion, the assistance of professionals to assist in the liquidation of the Debtor’s assets.

As soon as practicable after the Effective Date of the Plan, after paying any fees or expenses incurred by the Liquidating Agent, the Liquidating Agent shall establish a reserve (the “Reserve”) of \$25,000.00 to pay post-confirmation property taxes, insurance, utilities or other operating expenses until all real property foreclosures or transfers described above have been accomplished. The Liquidating Agent will then disburse funds sufficient to pay certain priority claims described below. Then, the Liquidating Agent shall disburse any remaining funds in the Liquidation Fund and any unused funds in the Reserve to non-insider unsecured creditors not otherwise addressed in the Plan. Claimants with allowed, non-insider unsecured claims shall receive a pro rata distribution of all such funds, depending upon the allowed amount of each creditor’s claim, in full settlement and satisfaction of the claimant’s claims. After disbursement of all such funds, and entry of an order closing the Case, the Liquidation Fund and the Reserve shall be closed and terminated, and the Liquidating Agent shall be deemed to be discharged from any further duties as such.

The Liquidating Agent will not be compensated for his services, except that the Liquidating Agent may be reimbursed his out-of-pocket and travel expenses from the Liquidation Fund.

...

D. Dissolution of Debtor. Upon the liquidation of the Debtor's assets, the disbursement of proceeds to creditors, the surrender by foreclosure or transfer of the Debtor's real property to lenders holding valid liens thereon, and the execution of the new promissory notes referenced above, the Debtor shall be dissolved and its existence terminated under Tennessee law. The confirmation of this Plan shall be deemed to satisfy all provisions of the laws of the State of Tennessee providing for the proper dissolution of the Debtor as a limited liability company. The membership interests of the two (2) members of the Debtors shall be terminated and canceled."

V. In Article XI, Summary of the Plan, subsections E through H are deleted and replaced with the following:

"E. Class 4 Claimant: In full settlement, satisfaction and discharge of the Class 4 Claim, the Class 4 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Class 4 Claimant may execute one of the following options: 1) the Class 4 Claimant may foreclose on the property or properties that serve as the collateral for the Class 4 Claim without opposition from the Debtor, or 2) the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 4 Claim, and such transfer shall be deemed a surrender of such property to the Class 4 Claimant. The actual date of foreclosure or transfer shall be at the discretion of the Class 4 Claimant, but such foreclosure or transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) On or about the Effective Date of the Plan, four (4) of the Guarantors (Ed Wiley, Gerald Gernt, Kenneth BuShea and Paul Gates) (collectively, the “Clayton Bank Guarantors”) shall execute a new promissory note in favor of the Class 4 Claimant. The new note (the “Clayton Bank Note”) shall be in the face amount of \$163,500.00 and shall accrue interest at 4% per annum. The Clayton Bank Note shall be unsecured, shall be amortized over fifteen (15), years and shall be payable in monthly installments of principal and interest until paid in full at the end of the amortization period. The Clayton Bank Guarantors shall be jointly and severally liable for full payment of the Clayton Bank Note.

(c) Except as provided above, the Class 4 Claimant shall receive no other payments or distributions on account of its Class 4 Claim. The present guaranties on account of the Class 4 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

F. Class 5 Claimant: In full settlement, satisfaction and discharge of the Class 5 Claim, the Class 5 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Class 5 Claimant may execute one of the following options: 1) the Class 5 Claimant may foreclose on the property or properties that serve as the collateral for the Class 5 Claim without opposition from the Debtor, or 2) the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 5 Claim, and such transfer shall be deemed a surrender of such property to the Class 5 Claimant. The actual date of foreclosure or transfer shall be at the discretion of the Class 5 Claimant, but such foreclosure or transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) Except as provided above, the Class 5 Claimant shall receive no other payments or distributions on account of its Class 5 Claim. Any existing guaranty on account of the Class 5 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

G. Class 6 Claimant: In full settlement, satisfaction and discharge of the Class 6 Claim, the Class 6 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Class 6 Claimant may execute one of the following options: 1) the Class 6 Claimant may foreclose on the property or properties that serve as the collateral for the Class 6 Claim without opposition from the Debtor, or 2) the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 6 Claim, and such transfer shall be deemed a surrender of such property to the Class 6 Claimant. The actual date of foreclosure or transfer shall be at the discretion of the Class 6 Claimant, but such foreclosure or transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) On or about the Effective Date of the Plan, each of the Guarantors (Ed Wiley, Gayle Wiley, Gerald Gernt, Yvonne Gernt, Kenneth BuShea, Lynn BuShea, Paul Gates, Patricia Gates, and the Estate of Denver Smith and/or Nancy Smith) (collectively the “Progressive Savings Bank Guarantors”) shall execute a new promissory note in favor of the Class 6 Claimant. The new note (the “Progressive Savings Bank Note”) shall be in the face amount of \$353,750.00 and shall accrue interest at 4% per annum. The Progressive Savings Bank Note shall be unsecured, shall be amortized over fifteen (15) years, and shall be payable in monthly installments of principal and interest until paid in full at the end of the amortization

period. The Progressive Savings Bank Guarantors shall be jointly and severally liable for full payment of the Progressive Savings Bank Note.

(c) Except as provided above, the Class 6 Claimant shall receive no other payments or distributions on account of its Class 6 Claim. The present guaranties on account of the Class 6 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

H. Class 7 Claimant: In full settlement, satisfaction and discharge of the Class 7 Claim, the Class 7 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Class 7 Claimant may execute one of the following options: 1) the Class 7 Claimant may foreclose on the property or properties that serve as the collateral for the Class 7 Claim without opposition from the Debtor, or 2) the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 7 Claim, and such transfer shall be deemed a surrender of such property to the Class 7 Claimant. The actual date of foreclosure or transfer shall be at the discretion of the Class 7 Claimant, but such foreclosure or transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) On or about the Effective Date of the Plan, four (4) of the Guarantors (Ed Wiley, Gerald Gernt, Kenneth BuShea and Paul Gates) (collectively the “Union Bank Guarantors”) shall execute a new promissory note in favor of the Class 7 Claimant. The new note (the “Union Bank Note”) shall be in the face amount of \$32,750.00 and shall accrue interest at 4% per annum. The Union Bank Note shall be unsecured, shall be amortized over fifteen (15) years, and shall be payable in monthly installments of principal and interest until paid in full at

the end of the amortization period. The Union Bank Guarantors shall be jointly and severally liable for full payment of the Union Bank Note.

(c) Except as provided above, the Class 7 Claimant shall receive no other payments or distributions on account of its Class 7 Claim. The present guaranties on account of the Class 7 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

CONDITIONAL STAY AND INJUNCTION: Any other provision hereof to the contrary notwithstanding, the Confirmation of the Plan shall not in any manner affect the liability of any entity other than the Debtor except as follows: **AS RESPECTS EACH HOLDER OF THE CLASS 4, 5, 6 AND 7 CLAIMS THAT ARE ALLOWED IN THIS CASE AND ARE TO BE PAID UNDER THE PLAN, FOR SO LONG AS THE DEBTOR AND THE GUARANTORS ARE IN FULL COMPLIANCE WITH THE PROVISIONS OF THE PLAN RESPECTING THE FORECLOSURES COMPLETED OR TRANSFERS MADE AND THE PAYMENTS REQUIRED HEREIN, THE HOLDERS THEREOF SHALL BE STAYED FROM TAKING ANY ACTION OF THE KINDS DESCRIBED IN 11 U.S.C. § 362(A), AGAINST THE DEBTOR'S EQUITY HOLDERS OR PRINCIPALS, OFFICERS, DIRECTORS OR OWNERS THEROF, OR ANY OF THEM, OR THE GUARANTORS, OR ANY OF THEIR ASSETS AND PROPERTY INTERESTS, ON ACCOUNT OF SAID CLAIM OR ANY GUARANTY THEREOF. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT AS PROVIDED HEREIN, THE CLASS 4, 5, 6 AND 7 CLAIMANTS SHALL BE ENJOINED AS OF THE EFFECTIVE DATE OF THE PLAN FROM ANY COLLECTION OF THEIR CLAIMS AGAINST THE GUARANTORS, OR ANY OF THEM. WHEN THE DEBTOR SHALL HAVE**

FULLY PERFORMED ALL OBLIGATIONS UNDER THIS PLAN AS RESPECTS THE CLASS 4, 5, 6 AND 7 CLAIMS, THE ABOVE-DESCRIBED CONDITIONAL STAY AND INJUNCTION SHALL BECOME PERMANENT, AND ALL PRESENT GUARANTIES OF THE GUARANTORS, AND EACH OF THEM, SHALL BE DEEMED TERMINATED.”

VI. In Article XIV, Effect of Confirmation, Subsection B is deleted and replaced with the following:

“B. Retention and Enforcement of Claims. Pursuant to Section 1123(b)(3)(B) of the code, the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor or Debtor-in-Possession had or had power to assert immediately prior to Confirmation of the Plan, including without limitation actions for the avoidance and recovery pursuant to Section 550 of the Code of transfers avoidable by reason of Section 544, 545, 547, 548, 549 or 553(b) of the Code, and may, through the Liquidating Agent, who will be deemed an authorized representative of the Debtor with full authority to act on behalf of the Debtor, commence or continue in any appropriate court or tribunal any suit or other proceeding for the enforcement of same.”

Dated this 20th day of February, 2013.

GULLETT, SANFORD, ROBINSON & MARTIN, PLLC

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CERTIFICATE OF SERVICE

I hereby certify that on February 20, 2013 the foregoing document was sent electronically via CM/ECF to all parties receiving notice in this matter through CM/ECF.

/s/ D. Hiatt Collins
D. Hiatt Collins