

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

**Hearing Date:** \_\_\_\_\_  
**Time:** \_\_\_\_\_

-----X  
**In re:**

**Chapter 11**

**S & Y Enterprises, LLC**

**Case No. 10-50623-ess**

**Debtor.**  
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**DISCLOSURE STATEMENT OF S & Y ENTERPRISES, LLC, DATED  
FEBRUARY 24, 2011**

**THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.**

**I. INTRODUCTION.**

This is the disclosure statement (the “Disclosure Statement”) in the chapter 11 case of S & Y Enterprises, LLC (the “Debtor” or “S&Y Enterprises”). This Disclosure Statement contains information about the Debtor and describes the Debtor’s Plan of Reorganization (the “Plan”) filed by the Debtor on February 24, 2011. A copy of the Plan is attached to this Disclosure Statement as Exhibit A. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss the documents with your attorney. If you do not have an attorney, you may wish to consult one.*

The proposed distributions under the Plan are discussed at pages 7-11 of this Disclosure Statement.

**A. Purpose of This Document.**

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case;
- How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest in the event the Plan is confirmed);
- Who can vote or object to the Plan;
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan;

- Why the Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in a liquidation; and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

**B. Deadlines for Voting and Objecting to Plan, Date of Plan Confirmation Hearing.**

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. *Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan.*

The hearing which the Court will determine whether to finally approve this Disclosure Statement will take place on \_\_\_\_\_ at \_\_\_\_ p.m. at the U.S. Bankruptcy Court for the Eastern District of New York, 271 Cadman Plaza East, Courtroom 3585, Brooklyn, New York 11201.

2. *Deadline For Voting to Accept or Reject the Plan.*

If you are entitled to vote to accept or reject the Plan, please vote on the enclosed ballot and return the ballot in the enclosed envelope to:

Law Offices of David Carlebach, Esq.  
40 Exchange Place, Suite 1306  
New York, NY 10005

See section IV. A. below for a discussion of voting eligibility requirements.

Your ballot must be received by \_\_\_\_\_, 2011 or it will not be counted.

3. *Deadline For Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court by \_\_\_\_\_, 2011, with a courtesy copy to Chambers and served upon:

Jacqueline Frome, Esq.  
Office of the US Trustee  
271 Cadman Plaza East  
Suite 4529  
Brooklyn, NY 11201

David Carlebach, Esq.  
Law Offices of David Carlebach Esq.  
40 Exchange Place, Suite 1306  
New York, NY 10005

Lazer, Aptheker, Rosella & Yedid, P.C.  
Attn: Joseph C. Savino  
Melville Law Center  
225 Old Country Road  
Melville, NY 11747-2712

Brendan M Scott, Esq.  
Klestadt & Winters LLP  
570 Seventh Avenue  
17th Floor  
New York, NY 10018

Gregory H Chertoff, Esq.  
David Fultz, Esq.  
Peckar & Abramson PC  
41 Madison Avenue  
20th Floor  
New York, NY 10010

4. *Contact Person for More Information.*

If you want additional information about the Plan, please contact:

David Carlebach, Esq.  
Law Offices of David Carlebach Esq.  
40 Exchange Place, Suite 1306  
New York, NY 10005  
Tel. number: (212) 785-3041

C. **Disclaimer.**

*The Court has approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court's approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan. Objections to the adequacy of this Disclosure Statement must be filed by \_\_\_\_\_, 2011.*

## **II. BACKGROUND.**

### **A. Description and History of the Debtor's Business.**

The Debtor, S & Y Enterprises, LLC ("S&Y"), is a New York corporation formed on November 21, 1996 (it was formerly known as Adar Builders and Realty, LLC - the name was changed to S & Y Enterprises, LLC on January 22, 1997). S&Y is primarily in the business of ownership and operation of commercial real estate located at 130 North 4<sup>th</sup> St. (a/k/a 193 Berry Street, a/k/a 240 Bedford Ave.), Brooklyn, New York ("S&Y Property"). The Debtor has continued to own the property since the filing of the bankruptcy petition on November 11, 2010 (the "Petition Date"), as debtor-in-possession pursuant to §§ 1107 and 1108 of the United States Bankruptcy Code (the "Bankruptcy Code").

### **B. Insiders of the Debtor.**

The following is a detailed list of the names of S&Y's insiders as defined in § 101(31) Bankruptcy Code and their relationship to the Debtor, as well as compensation paid during the pendency of this chapter 11 case.

Name of Insider	Relationship to Debtor	Compensation During Pendency of Chapter 11 Case
Yehuda Backer	Managing Member	\$ 1,800.00
Ruthe Backer	Member	\$ 0.00

### **C. Management of the Debtor Before and During the Bankruptcy.**

During the two years prior to the Petition Date and during the bankruptcy case, Yehuda Backer was the Managing Member of S&Y. After the Effective Date of the order confirming the Plan, Yehuda Backer will continue to be the Managing Member of S&Y.

### **D. Events Leading to Chapter 11 Filing.**

Before the Petition Date, Capital One Bank, NA (“Capital One”) declared S & Y Enterprises to be in default under its obligations to Capital One. By letter dated November 2, 2010, Capital One sent a notice of default, and it made a demand for payment (the “Notice”) of the total balance due. In the Notice, Capital One advised S & Y Enterprises that if S & Y Enterprises failed to cure that default by November 8, 2010, Capital One would record the deed it held to the real estate owned by S & Y Enterprises. Subsequently Capital One agreed that the deadline for curing any default would be extended to November 12, 2010. S & Y Enterprises was unable to perform as required in the Notice, and therefore filed on the S&Y Petition Date to avoid the recording of the deed.

**E. Significant Events During the Bankruptcy Case.**

1. There has not been any asset sales outside the ordinary course of business, debtor-in-possession financing, or cash collateral orders.
2. On December 2, 2010, an Application to Employ the Law Offices of David Carlebach, Esq. as counsel to S&Y was filed with the Court (ECF 12), and on \_\_\_\_\_, 2011, the Court entered an Order granting Debtor’s application to employ the Law Offices of David Carlebach, Esq. as Counsel to the Debtor (ECF \_\_\_\_).
3. In the S&Y Case, on January 11, 2011, this Court established the bar date for all creditors to file proofs of claim, that deadline is March 4, 2011 (ECF 20).
4. On December 6, 2010, Debtor S&Y Enterprises commenced an adversary proceeding against Capital One styled S & Y Enterprises LLC v. Capital One, N.A., Adversary Proceeding No. 10-01328-ess (the “Adversary Proceeding”). In its Complaint, S&Y Enterprises alleged, inter alia, that Capital One manufactured defaults under the loan documents in an attempt to wrest the S&Y Property, which was far more valuable than the amount it owed to Capital One, from Debtor S & Y Enterprises. The Complaint also alleged, inter alia, that Capital One damaged Debtor S & Y Enterprises by sabotaging the sale of the S & Y Property. The Complaint seeks compensatory and punitive damages based on Capital One’s. On January 26, 2011, S&Y Enterprises filed its Amended Complaint in the Adversary Proceeding (the “Amended Complaint”). The allegations concerning S&Y Enterprises remained essentially the same as in the original Complaint. The Amended Complaint added Sky Lofts, LLC<sup>1</sup> (Sky Lofts) and Twin City Lofts, LLC<sup>2</sup> (“Twin City”) as plaintiffs. Twin City’s allegations against Capital One concern the damages resulting from

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<sup>1</sup>Sky Lofts, LLC is an entity that shares the same management and equity ownership as Debtor S&Y Enterprises. Sky Lofts, LLC filed for relief under Chapter 11 of the Bankruptcy Code on the same date as S&Y Enterprises, December 8, 2010 in the Eastern District of New York (Case No. 10-51510-ess), and that case is currently pending.

<sup>2</sup>Twin City Lofts, LLC is an entity that shares the same management and equity ownership as Debtor S&Y Enterprises. Twin City Lofts, LLC filed for relief under Chapter 11 of the Bankruptcy Code on the same date as S&Y Enterprises, November 11, 2010 in the Eastern District of New York (Case No. 10-50625-ess), and that case is currently pending.

Capital One's manufactured defaults against S&Y Enterprises which, as stated in the Amended Complaint, was also an attempt to wrest, from Twin City, Twin City's valuable real estate. Sky Lofts' allegations against Capital One concern damages incurred as a result of the sabotage of the attempted sale of the real estate owned by Sky Lofts, located at 130 North 4<sup>th</sup> St. (a/k/a 193 Berry Street, a/k/a 240 Bedford Ave.), Brooklyn, New York ("Sky Lofts Property"). As set forth in the Amended Complaint, Capital One's aforementioned sabotage of Debtor S & Y's sale of the S & Y Property, also sabotaged Sky Lofts' sale of the Sky Lofts Property, since both properties were to be sold together pursuant to one contract of sale. The Amended Complaint seeks both compensatory and punitive damages by all plaintiffs against Capital One. The Debtor does not expect that the claims will impede the confirmation process.

5. The following actions or proceedings were pending against the Debtor and its property, and are now stayed as against the Debtor:
- (1) North 3<sup>rd</sup> Development, LLC vs. Sky Lofts, LLC, et al. (Kings County, New York, Civil Supreme Court, Index No. 29927/2010)

**F. Projected Recovery of Avoidable Transfers.**

The Debtor does not intend to pursue any known preference, fraudulent conveyance, or other avoidance actions.

**G. Claims Objections.**

Except to the extent that a claim is already allowed pursuant to a final, non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

**H. Current and Historical Financial Conditions.**

The identity and fair market value of the estates' assets are listed in Exhibit B.

A summary of the Debtor's operations since the commencement of the Debtor's bankruptcy case is set forth in Exhibit C.

**III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS.**

**A. Purpose of the Plan for Reorganization.**

As required by the Bankruptcy Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided in the Plan.

**B. Unclassified Claims.**

Certain types of Claims are automatically entitled to specific treatment under the Bankruptcy Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Bankruptcy Code. As such, the Plan Proponents have *not* placed the following claims in any class:

*2. Administrative Expenses.*

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Bankruptcy Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before Petition Date. The Code requires all administrative expenses to be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Allowed Professional Fees, as approved by the Court (counsel and accountant)	Approximately \$25,000.00	Paid in full on the Effective Date.
Office of the U.S. Trustee fees	\$325.00	Paid in full on the Effective Date.

**C. Classes of Claims and Equity Interests.**

The following are the classes of claims set forth in the Plan, and the proposed treatment that they will receive under the Plan:

*1. Classes of Secured Claims.*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Bankruptcy Code. If the value of the collateral or setoff securing the creditor's claim is less than

the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following chart lists all classes containing Debtor's secured prepetition claims and the proposed treatment under the Plan:

Class #	Description	Insider?	Impairment	Treatment
I	<p><i>Secured claim of:</i> Capital One Bank, N.A.</p> <p>Collateral description: First Mortgage on S&amp;Y's property located at: 130 North 4<sup>th</sup> St. (a/k/a 193 Berry Street, a/k/a 240 Bedford Ave.), Brooklyn, New York Secured Amount: \$5,602,619.00 (the allowed amount of this claim is to be determined)</p>	NO	unimpaired	Paid in full on the Effective Date.
II	<p><i>Secured claim of:</i> CAB Bedford, LLC</p> <p>Collateral description: Mortgage on S&amp;Y's property located at: 130 North 4<sup>th</sup> St. (a/k/a 193 Berry Street, a/k/a 240 Bedford Ave.), Brooklyn, New York  Secured Amount: \$600,000.00</p>	NO	unimpaired	Paid in full on the Effective Date.
III	<p><i>Secured claim of:</i> Galster Funding LLC</p> <p>Collateral description: Mortgage on S&amp;Y's property located at: 130 North 4<sup>th</sup> St. (a/k/a 193 Berry Street, a/k/a 240 Bedford Ave.), Brooklyn, New York  Allowed Secured Amount: \$750,000.00</p>	NO	unimpaired	Paid in full on the Effective Date

## 2. *Classes of Priority Unsecured Claims.*



Certain priority unsecured claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Bankruptcy Code are required to be placed in classes. The Code requires that each holder of such claim receives cash on the Effective Date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

Class #	Description	Insider ?	Impairment	Treatment
IV	<i>Priority Unsecured Claim of:</i> Internal Revenue Service  Priority Amount: unknown, expected to be \$0.00	NO	unimpaired	Paid in full on the Effective Date.
V	<i>Priority Unsecured Claim of:</i> New York State Dept. of Taxation and Finance  Priority Amount: \$100.00	NO	unimpaired	Paid in full on the Effective Date.

### 3. *Classes of General Unsecured Claims.*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Bankruptcy Code.

The following chart lists all classes containing the Debtor's unsecured prepetition claims and the proposed treatment under the Plan:

Class #	Description	Insider?	Impairment	Treatment
VI	<p><u>Non-Insider General Unsecured claims of:</u> all non-insider general unsecured claims scheduled by the Debtor. (See ECF 10, Schedule F in S&amp;Y Enterprises).</p> <p>Non-Priority Amount: \$33,077.00</p>	NO	unimpaired	Paid in full on Effective Date.

Class #	Description	Insider?	Impairment	Treatment
VII	<p><u>Insider General Unsecured claims of:</u> all insider general unsecured claims scheduled by the Debtor. (See ECF 10, Schedule F in S&amp;Y Enterprises)</p> <p>Non-Priority Amount: \$2,269,000.00</p>	YES	impaired	These claims will be paid on a pro-rata basis with the proceeds remaining from the sale of the S&Y Property, as contemplated in the Agreement of Sale attached hereto as Exhibit D, after the payment of all allowed claims in Classes I through VI and all administrative claims.

#### 4. *Class of Equity Interest Holders.*

Equity interest holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders.

The following chart sets forth the Plan's proposed treatment of the class of equity interest holders.

Class #	Description	Impairment	Treatment
VIII	<p>Equity Interest Holders: Yehuda Backer 99% Equity interest holder Ruthe Backer 1% Equity interest holder</p>	unimpaired	Will continue to retain respective equity interests.

**D. Means of Implementing the Plan.**

**1. *Source of Payments.***

The source of the funds will be from the proceeds of a sale of the real estate owned by S&Y Enterprises, LLC and Sky Lofts to CAB Bedford LLC. The sale of the real estate of the those parties will be for the amount of Sixteen Million Five Hundred Thousand Dollars (\$16,500,000.00). A copy of the Agreement of Sale is attached hereto as Exhibit D.

**2. *Post-confirmation Management.***

Yehuda Backer will continue as the Managing Member of the Debtor, post confirmation and will receive no compensation for services rendered to the Debtor.

**E. Risk Factors.**

The Debtor does not believe that there are any risk factors with respect to the distributions required under the Plan.

**F. Executory Contracts and Unexpired Leases.**

The Plan, at Article 6.01, lists all executory contracts and unexpired leases of the Debtor. The Debtor will not assume any executory contracts or unexpired leases other than the Agreement of Sale, a copy of which is attached hereto as Exhibit D, which will be assumed on confirmation.

**G. Tax Consequences of the Plan.**

***Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, and/or Advisors.***

The Debtor does not believe that there are any special tax consequences associated with the Plan.

**IV. CONFIRMATION REQUIREMENTS AND PROCEDURES.**

To be confirmable, the Plan must meet the requirements listed in § 1129(a) or (b) of the Bankruptcy Code. The requirements include that the Plan must be proposed in good faith; at least one impaired class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129 of the Bankruptcy Code, and they are not the only requirements for

confirmation. The Debtor does not believe that there is an impaired class in this case who is deemed to have accepted the Plan pursuant to § 1129(a)(8)(B).

**A. Who May Vote or Object.**

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that no classes are impaired and that holders of claims in each class are therefore not entitled to vote to accept or reject the Plan. Notwithstanding the above, the Debtor proposes to nevertheless send a ballot to the unimpaired secured creditors, although the Debtor as previously stated believes that they have no right to vote.

*1. Allowed Claim or Allowed Equity Interest.*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

*2. Impaired Claim or Impaired Equity Interest.*

As noted above, the holder of an allowed claim or allowed equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Bankruptcy Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

*3. Who is **Not** Entitled to Vote.*

The holders of the following six types of claims and equity interests are **not** entitled to vote:

1. Holders of claims and equity interests that have been disallowed by an order of the Court;

2. Holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests”, unless they have been “allowed” for voting purposes.
3. Holders of claims or equity interests in unimpaired classes;
4. Holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Bankruptcy Code;
5. Holders of claims or equity interests in classes that do not receive or retain any value under the Plan; and
6. Administrative expenses.

***Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.***

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, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

**B. Votes Necessary to Confirm the Plan.**

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in Section B.2.

1. *Votes Necessary for a Class to Accept the Plan.*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Non-accepting Classes.*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by § 1129(b) of the

Bankruptcy Code. A Plan that binds non-accepting classes is commonly referred to as a “cram down” Plan.

The Code allows the Plan to bind non-accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation, except the voting requirements of § 1129(a)(8) of the Bankruptcy Code does not “discriminate unfairly,” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

***You should consult your own attorney if a “cramdown” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.***

**C. Liquidation Analysis.**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit E.

**D. Feasibility.**

The Court must find 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, unless such liquidation or reorganization is proposed in the Plan.

**1. Ability to Fund Plan.**

The Plan Proponents believe that 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 that date from the sale of the property as described in the Agreement of Sale attached hereto as Exhibit D.

**2. Ability to Make Future Plan Payments and Operate Without Further Reorganization.**

Upon confirmation of the Plan, the Plan Proponents will no longer own the premises or carry any debt, secured or unsecured. In light of the transfer of the real property to a third party, the equity has no value and the Debtor will likely dissolve post-confirmation.

***You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.***

**V. EFFECT OF CONFIRMATION OF PLAN.**

**A. “NO DISCHARGE OF DEBTOR.”**

**B. Modification of Plan.**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new Disclosure Statement and/or new voting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

**C. Final Decree.**

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

Dated: New York, New York  
February 24, 2011

**S & Y Enterprises, LLC**

By: s/Yehuda Backer  
Yehuda Backer, Managing Member

**LAW OFFICES OF DAVID CARLEBACH, ESQ.**  
Attorneys for Debtor

By: s/ David Carlebach (dc-7350)  
David Carlebach (DC-7350)  
40 Exchange Place  
New York, New York 10005  
(212) 785-3041