

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WILSON DIVISION**

In the Matter of:  
**TP, INC.**  
Debtor.

Case No.:  
**10-01594-8-SWH**  
Chapter 11

**DISCLOSURE STATEMENT**

Pursuant to the provisions of Section 1125(b) of the Bankruptcy Code, the Debtor submits the following:

**I. INTRODUCTION AND PURPOSE**

TP, Inc., the debtor-in-possession (the "Debtor"), submits this Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* ("Bankruptcy Code"), in connection with the Debtor's Plan of Reorganization, dated of even date herewith (the "Plan"). Attached hereto as Exhibits "A" and "B" are summaries of the Debtor's assets and liabilities. Exhibit "C," which shall be served upon parties in interest prior to the confirmation hearing, shall be the Debtor's feasibility analysis, and Exhibit "D" is the liquidation analysis. Additional exhibits will be denoted herein. Capitalized terms used in this Disclosure Statement have precise meanings as defined in this Disclosure Statement or as provided in Article I of the Plan.

The Debtor provides this Disclosure Statement to Creditors in order to disclose that information which the Debtor believes to be necessary for Creditors to arrive at a reasonably informed decision in exercising their right to vote on the Plan.

The Plan has not been approved or disapproved by any bankruptcy court. The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified herein. The delivery of this Disclosure Statement shall not create, under any circumstances, an implication that there has been no change in the facts set forth herein since the date hereof. AFTER THE DATE HEREOF, NO ASSURANCE CAN BE GIVEN THAT THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN ARE MATERIALLY ACCURATE OR THAT THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT IS INTENDED FOR THE SOLE USE OF CREDITORS TO MAKE AN INFORMED DECISION ABOUT THE PLAN. CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT IN ITS ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND OTHER EXHIBITS HERETO. CREDITORS ARE ADVISED AND ENCOURAGED TO READ THE PLAN AND THE OTHER EXHIBITS IN THEIR ENTIRETY.

NO SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN MAY BE MADE EXCEPT PURSUANT TO THIS DISCLOSURE STATEMENT AND SECTION 1125 OF THE BANKRUPTCY CODE. NO PERSON HAS BEEN AUTHORIZED TO USE OR PROMULGATE ANY INFORMATION CONCERNING THE ESTATE OR THE PLAN OR TO MAKE ANY REPRESENTATIONS CONCERNING THE ESTATE OR THE PLAN, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS HERETO. READERS SHOULD NOT RELY ON ANY INFORMATION RELATING TO THE DEBTOR OR ITS BUSINESS OR THE PLAN OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS HERETO.

**IN THE DEBTOR'S OPINION, THE TREATMENT OF CREDITORS UNDER THE PLAN PROVIDES A GREATER RECOVERY THAN IS LIKELY TO BE ACHIEVED UNDER ANY OTHER ALTERNATIVE, INCLUDING LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. THE DEBTOR BELIEVES THAT THE CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS**

**AND URGES EACH CREDITOR ENTITLED TO VOTE TO ACCEPT THE PLAN.**

## **II. SUMMARY OF PLAN**

The Debtor is a North Carolina corporation with its principal assets located in North Carolina. The Debtor is in the business of property development and currently owns a large number of tracts of real estate in Mecklenburg County, North Topsail and Topsail Beach, and Surf City, North Carolina. Primarily, the Plan calls for (i) the liquidation of the Debtor's business assets over a period of 18 months from the Effective Date, (ii) the payment of secured and unsecured claims as set forth herein from the net liquidation proceeds, and (iii) payment of priority tax claims in accordance with statutory requirements.

The Debtor shall pay its administrative costs in full within thirty (30) days of the Effective Date, or by such other mutually agreeable terms as the parties may agree. If sufficient funds do not exist for payment of administrative claims in Class I, the proceeds from unencumbered net sales will be used to pay this class prior to any distribution to the unsecured creditors.

All liabilities of the Debtor will also be paid according to the priorities of the Bankruptcy Code and the Orders of this Court. The specific amounts and terms of payment will be made according to the treatment of each respective creditor in the Plan of Reorganization.

The aggregate amount of non-insider General Unsecured Claims is estimated at \$12,836,586.21. The Debtor shall pay this Class the residual net proceeds from the sale of the Debtor's real estate assets, following payment of secured claims, administrative claims and priority claims. Payment shall be allocated pro-rata among the holders of allowed claims in this class. The Debtor proposes to pay remaining creditors in a manner more specifically set forth herein.

IT IS IMPORTANT TO NOTE THAT THE PLAN OF LIQUIDATION CONTEMPLATES A LIQUIDATION OF THE DEBTOR'S REAL ESTATE ASSETS OVER A PERIOD OF TWO YEARS. AS SUCH, THE DEBTOR INTENDS TO SATISFY CREDITOR CLAIMS THROUGH PROCEEDS GENERATED BY THE NET SALES OF THESE ASSETS. ALL PROPOSED SALES OF DEBTOR'S ASSETS WILL BE NOTICED TO ALL CREDITORS AND BE SUBJECT TO APPROVAL OF THE BANKRUPTCY COURT, IN ACCORDANCE WITH 11 U.S.C. § 363.

## **III. HISTORY AND BUSINESS STRUCTURE**

As referenced above, The Debtor is a North Carolina corporation with its principal assets located in North Carolina. The Debtor is in the business of property development and currently owns a large number of tracts of real estate in Mecklenburg County, North Topsail and Topsail Beach, and Surf City, North Carolina. The problems leading to the filing of the Debtor's voluntary bankruptcy originated with (i) the economic downturn and the Debtor's inability to sell property sufficient to satisfy cash flow obligations; and (ii) the Debtor's inability to secure additional operating capital. The Debtor's petition was filed in order to avoid pending foreclosures that threatened the Debtor's viability.

## **IV. THE DEBTOR'S POST-PETITION OPERATIONS**

During the post-petition period, the Debtor has continued to operate normally to market its real property. It has, pursuant to an Order of the Bankruptcy Court entered April 15, 2010, been the recipient of a transfer of a 45± acre tract of real property known as the "Old Point" property. The Old Point property is an unimproved parcel intended for residential development that had been transferred, on a pre-petition basis, from the Debtor to HP, Inc. ("HP"). HP and the Debtor are owned by Ronald S. Bryant. The Old Point property, at the time it was transferred, was believed to be encumbered only by a mechanics lien in the approximate amount of \$45,000 asserted by Walton Engineering. Following the re-conveyance of the Old Point property to the Debtor it has been encumbered by two future advance deeds of trust. The first, in the maximum amount of \$150,000, was recorded in favor of Ayers & Haidt, P.A. to secure administrative costs related to the Debtor's representation, and the second, in the maximum amount of \$206,450, was recorded in favor of Bank of America as adequate protection for the Debtor's continued efforts to improve and market the bank's real

estate collateral.

The Debtor filed a Motion for Turnover of certain cash held by Century 21 Action, Inc. On July 29, 2009, Bank of America was able to obtain a garnishment (the "Garnishment") as to Action, Inc. d/b/a Century 21 Action, Inc. of Surf City, North Carolina. The Garnishment relates to certain rental income derived from the Debtor's lease of condominium and duplex units upon which Bank of America asserts mortgages and liens. Upon information and belief, the rental proceeds accumulated by Action, Inc. total in excess of \$200,000 as of the date of the Plan and Disclosure Statement. The Debtor anticipates these proceeds will be used to fund (i) insurance premiums on Bank of America collateral; (ii) post-petition real estate taxes; and (iii) completion of the improvements located at 4730 23<sup>rd</sup> Street, Topsail Beach, as requested in the Debtor's Emergency Motion to Use Cash Collateral, which was filed with the Court on August 25, 2010. This property, in addition to the Debtor's other properties, are currently for sale or in the process of being developed to the point where they can be successfully marketed.

#### **V. POTENTIAL CAUSES OF ACTION HELD BY THE ESTATE**

The Debtor has conducted, and will continue to conduct, an analysis of potential monetary recoveries that could be used to fund the Plan. The Debtor has also reviewed the extent to which it may recover avoidable transfers pursuant to Sections 544, 547 and 548 of the Bankruptcy Code. Specifically, the Debtor will investigate all claims against any party as defined in 11 U.S.C. §101(31) with respect to any payments or transfers which the Debtor may have made to such parties within one year of the filing of the bankruptcy petitions, or within such time as applicable statutes of limitation might provide. Ronald Bryant, on behalf of HP, Inc., has conveyed the Old Point property to the Debtor's bankruptcy estate, as this conveyance may have constituted an avoidable conveyance pursuant to 11 U.S.C. § 548. The Debtor is also investigating the validity of the Walton Engineering mechanic's lien against the Old Point property, and also whether any judgment claims asserted by creditors

#### **VI. CLASSIFICATION AND TREATMENT OF CLASSES OF CREDITORS**

The Debtor classifies the following classes of claims, indicating whether said class is impaired or unimpaired, and proposes the following treatment:

##### **A. Class I – Administrative Claims**

- (1) Classification. Class I consists of claims for any cost or expense of administration pursuant to Sections 503, 506 and 507 of the Bankruptcy Code.

The following claims will be paid subject to Court approval:

David J. Haidt  
Counsel for Debtor

TO BE APPLIED FOR IN THE UNITED  
STATES BANKRUPTCY COURT.

Bank of America, N.A.

TO BE DETERMINED BY UNITED STATES  
BANKRUPTCY COURT

- (2) Impairment. This class will be unimpaired.

- (3) Treatment. Administrative costs and expenses approved by the Court shall be paid in cash and in full including accruals to date of payment on the Effective Date of the Plan, or upon such other terms as the parties may mutually agree. The Debtor estimates that these claims will total approximately \$300,000.00; however, while this is the Debtor's best estimate, there can be no assurance that the actual fees will not in fact exceed this amount, especially if there is substantial opposition to the Disclosure Statement and/or confirmation. Debtor's counsel additionally asserts a secured claim against the Debtor pursuant to a Future Advance Deed of Trust authorized by the Bankruptcy Court by Order dated April 15, 2010 and recorded in the Pender County Register of

Deeds, which secures a second-in-priority lien against that certain 45± acre tract owned by the Debtor and known as the “Old Point” property. In accordance with the terms of the Deed of Trust, the property securing this obligation shall be sold by December 31, 2010.

Bank of America asserts an administrative claim, in an amount unknown as of the date of the Debtor’s Plan of Reorganization, related to the payment of post-petition insurance premiums and ad valorem taxes. This sum is also secured by a third-in-priority Future Advance Deed of Trust against the “Old Point” property, in accordance with the terms of the Bankruptcy Court’s Order dated July 22, 2010.

**B. Class II - Priority Ad Valorem Taxes**

(1) Classification. Class II consists of claims against the Debtor for property taxes in North Carolina to the Carteret, Craven and Lee County Tax Collectors, and to McIntosh County Tax Collector in Georgia. Presently, the Debtor is aware of the following claims against his estate:

Pender County Tax Collector (Claim #1)	\$ 4,678.22
Onslow County Tax Collector (Claim #2)	\$ 8,784.83
Mecklenburg County Tax Collector (Claim #9)	\$37,797.71
Town of Surf City (Claim #5)	\$ 129.54 (priority)
Town of Surf City (Claim #5)	\$18,832.02 (general unsecured)

(2) Impairment. This class will be unimpaired.

(3) Treatment. Ad valorem taxes owed by the Debtor shall be paid in full on or before the Effective Date from the proceeds of sale of the subject real property assets in accordance with priorities established by the Bankruptcy Code and the provisions of 11 U.S.C. § 363.

Alternatively, Ad Valorem taxes entitled to priority pursuant to 11 U.S.C. § 507(a)(8) owed by the Debtor shall be paid through deferred cash payments over a period ending no later than five years after the date of the order for relief, of a value, as of the Effective Date, equal to the full amount of such Priority Tax Claim, with interest on such amount from the Effective Date at an annual rate of interest of 5%. The Class II Unsecured Priority Tax Claims shall be paid in equal quarterly installments of principal and interest, with all unpaid principal and accrued interest due on the fifth anniversary of the Effective Date of the Plan. Payments shall commence on the first day of the third full month following the Effective Date. Ad Valorem Tax Claims may be prepaid at any time without premium or penalty.

**C. Class III – Priority Tax Claims:**

(1) Classification. Class III consists of claims against the Debtor for income taxes, withholding taxes, unemployment taxes, excise taxes and/or any and all other taxes levied or entitled to be levied against the Debtor, plus interest as allowed by law, as the same are entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code. As of the Petition Date, there exist the following Priority Tax Claims:

a.	Internal Revenue Service	None known
b.	North Carolina Dept of Revenue	None known
c.	NC Employment Security Commission	None known

(2) Impairment. This class will be unimpaired.

(3) Treatment. **Unsecured Priority Tax Claims**, as described in Sections 507(a)(8) and 1129(a)(9)(C) of the Bankruptcy Code, shall receive deferred cash payments over a period ending no

later than five years after the date of the order for relief, of a value, as of the Effective Date, equal to the full amount of such Priority Tax Claim, with interest on such amount from the Effective Date at an annual rate of interest of 5%. The Class III Unsecured Priority Tax Claims shall be paid in equal quarterly installments of principal and interest, with all unpaid principal and accrued interest due on the fifth anniversary of the date of the order for relief. Payments shall commence on the first day of the third full month following the Effective Date. Unsecured Priority Tax Claims may be prepaid at any time without premium or penalty.

The Debtor shall have a period of thirty (30) days to cure any plan payment not made upon the due date, such cure period to begin the 1<sup>st</sup> day of any month during which a payment is due and not paid and continuing for 30 days thereafter. Upon the Debtor's failure to cure any delinquent payment, holders of tax claims shall be entitled to exercise such remedies as deemed appropriate by the taxing authority and permitted by law.

Unsecured Priority Tax Claims that are **Costs and Expenses of Administration** shall be paid in cash in accordance with the treatment afforded Class I creditors.

**Secured Tax Claims** shall retain their secured interest in the property of the Debtor in a manner consistent with the pre-petition security interests and liens asserted by the taxing authority, and accrue interest at the annual rate of 5%. All Secured Tax Claims shall be paid in equal quarterly installments of principal and interest over a period of 120 months, with all unpaid principal and accrued interest due on the tenth anniversary of the Petition Date. Payments shall commence on the first day of the third full month following the Effective Date. Secured Tax Claims may be prepaid at any time without premium or penalty.

**Unsecured General Tax Claims** shall be treated in a manner consistent with the treatment afforded creditors holding General Unsecured Claims.

D. **Class IV – Bank of America, NA (“Bank of America”)**

(1) **Classification.** This class shall consist of the secured claim asserted by Bank of America pursuant to the terms and conditions of certain loan documents relative to the obligation which secures a first priority lien against the Debtor's real property located in Topsail Beach, Surf City and North Topsail Beach, North Carolina pursuant to that certain promissory note dated January 10, 2003, in the original amount of \$5,000,000.00 together with the loan extensions and modifications made thereafter on said note. The secured balance owed to Bank of America as of the filing of its proof of claim dated July 13, 2010 is \$7,895,000. The unsecured portion of Bank of America's claim, in the amount of \$12,320,143.91, represents the alleged under-secured portion of Bank of America's claim and is believed to include interest, advanced insurance premiums, taxes and fees to and including March 1, 2010. This note had matured and was in default at the time of the filing of the Debtor's Chapter 11 petition.

The Bank of America additionally possesses a post-petition second-in-priority lien against the real estate known as Old Pointe owned by the Debtor in Pender County, North Carolina, pursuant to this Court's Order of July 22, 2010 in the maximum amount of \$206,540.00.

(2) **Impairment.** Bank of America's pre-petition secured claim and pre-petition unsecured claim will be impaired. Bank of America's post-petition secured claim will be unimpaired.

(3) **Treatment.** The Debtor shall treat Bank of America's pre-petition secured claim, pre-petition unsecured claim, and post-petition secured claim, as follows:

(a) **Bank of America's Secured Claim of \$7,895,000:** The principal amount of this claim, together with interest at the annual rate of 4.5% from and after the Effective Date of

the Plan, shall be treated as a single, fully-secured claim. This creditor shall retain its liens pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code until this claim is paid in full. The Debtor shall liquidate, by private or public sale, those parcels of real estate upon which Bank of America asserted a pre-petition mortgage and lien by virtue of its deeds of trust recorded in Pender and Onslow County.

The Debtor shall market and liquidate Bank of America's collateral over a period of 18 months by utilizing a real estate broker or by marketing efforts coordinated by the Debtor directly. The Debtor shall pursue both sales of single properties, in accordance with the Debtor's pre-petition sales activity, and bulk sales of Debtor inventory, both in a manner intended to maximize income and the repayment of claims. All sales will be conducted in accordance with the provisions of 11 U.S.C. § 363 and shall be free and clear of liens and encumbrances of record. In accordance with the provisions of 11 U.S.C. § 506(c), all sales proceeds will be subject to costs and expenses incurred by the Debtor and/or the Debtor's agents related to the preservation or disposition of its property. The Debtor anticipates the following marketing period for the Bank of America collateral:

	<u>Property</u>	<u>Marketing Period</u>
(i)	Single Family:	12 months
	a. Topsail Cove Lot 9	
	b. Topsail Cove Lot 14	
	c. Topsail Cove Lot 2	
	d. Topsail Cove Lot 1	
(ii)	Duplexes:	18 months
	a. Topsail Cove Lot 3A	
	b. Topsail Cove Lot 3B	
	c. Topsail Cove Lot 4A	
	d. Topsail Cove Lot 4B	
	e. Topsail Cove Lot 5A	
	f. Topsail Cove Lot 5B	
	g. Topsail Cove Lot 6A	
	h. Topsail Cove Lot 6B	
	i. Topsail Cove Lot 7A	
	j. Topsail Cove Lot 7B	
	k. Topsail Cove Lot 8A	
	l. Topsail Cove Lot 8B	
	Duplex Lots:	12 months
	a. Topsail Cove Lot 11	
	b. Topsail Cove Lot 12	
	c. Topsail Cove Lot 13	
(iii)	460 North Anderson (single family)	60 days
(iv)	Single Family N. Topsail Beach	12 months
	a. 3729 Island Dr.	
	b. 3731 Island Dr.	
(v)	Single Family N. Topsail Beach	18 months
	a. 4730/4731 23 <sup>rd</sup> Avenue	

- |        |                                   |                     |
|--------|-----------------------------------|---------------------|
| (vi)   | Oceanaire Estates (29 total lots) | 12 months (package) |
|        | a. 4 X Zone Lots                  |                     |
|        | b. 4 Water/Marsh Lots             |                     |
|        | c. 21 Interior Lots               |                     |
| (vii)  | Lots (N. Topsail Beach)           | 12 months           |
|        | a. Northwinds Lot 1A              |                     |
|        | b. Northwinds Lot 1B              |                     |
| (viii) | Lots (Topsail Beach)              | 12 months           |
|        | a. 1811 Ocean Blvd.               |                     |
|        | b. 1901 Ocean Blvd.               |                     |
|        | c. 1903 Ocean Blvd.               |                     |

The proceeds of any individual sale of property shall be allocated pursuant to the following schedule:

- (i) First, to real estate broker commissions or auctioneer commissions, if any, taxes, ordinary closing costs, and approved expenses pursuant to 11 U.S.C. § 506(c), together with any amounts necessary for the Debtor's payment of post-confirmation quarterly fees and post-confirmation tax obligations. Such fees shall be deducted prior to disbursements to any creditor.
- (ii) Second, to Bank of America.
- (iii) Third, to any subordinate lienholder, if any.
- (iv) Fourth, to the Debtor for allocation to remaining creditors in accordance with the Plan.

Upon the expiration of the 24 month sales period, the Debtor shall, subject to the approval of Bank of America and the Bankruptcy Court, surrender the balance of the collateral to Bank of America or sell the remaining lot inventory by public sale to be conducted within 60 days of the expiration of the 24 month sales period.

As concerns any marketing efforts or sales conducted pursuant to the Plan, Bank of America shall be provided, as soon as is practicable, copies of contracts, HUD settlement statements, amendments to the foregoing items, and other documentation related to marketing efforts of the collateral.

(b) Bank of America's Unsecured Claim of \$12,320,143.91: This claim shall be treated as a General Unsecured Claim in accordance with the treatment afforded the holders of Class X claims.

(c) Bank of America's Post-Petition Secured Claim: The principal amount of this claim, together with interest at the non-default contract rate, shall be treated as a single, fully-secured claim. This creditor shall retain its liens pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code until this claim is paid in full, and this obligation shall be paid in accordance with the terms of the post-petition Future Advance Promissory Note and Deed of Trust, as the same may be modified by or subject to future orders of the Bankruptcy Court. At the expiration of the 24 month sale period, Georgia Capital shall be entitled to relief from the automatic stay to exercise such state law remedies it may deem appropriate.



E. **Class V – Georgia Capital, LLC (“Georgia Capital”)**

(1) **Classification.** This class shall consist of the secured claim asserted by Georgia Capital pursuant to the terms and conditions of certain loan documents relative to the promissory note and security agreement dated August 21, 2008, in the original principal amount of \$4,100,000.00, together with any loan modifications made thereafter on said note, which secures a first priority lien against residential building lots #162, #172 and #173, The Sanctuary Subdivision, Mecklenburg County. Pursuant to Georgia Capital’s proof of claim filed with this court on June 11, 2010, the balance of this claim was \$773,483.36, which included accrued interest at the default rate of 20%. This obligation had matured and was in default at the time of the filing of the Debtor’s petition.

In accordance with the loan documents, and modifications thereto, this obligation originated August 21, 2008 in the original principal amount of \$4,100,000.00 and was to accrue interest at the non-default rate of 15% with an original maturation date of August 21, 2009.

(2) **Impairment.** This class will be impaired.

(3) **Treatment.** The Debtor will liquidate the collateral secured by this loan by private sale to be conducted within 24 months of the Effective Date of the Plan. During this period, the Debtor shall not be obligated to make any payments to this creditor. The principal amount of the reorganized obligation shall accrue interest at the annual rate of 4.5% and this amount, plus such costs as may be allowed by the Court pursuant to 11 U.S.C. § 506(b), shall be treated as a single, fully-secured claim. This creditor shall retain its liens pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code until this claim is paid in full, and this reorganized obligation shall be a non-recourse claim against the Debtor. At the expiration of the 24 month sale period, Georgia Capital shall be entitled to relief from the automatic stay to exercise such state law remedies it may deem appropriate.

F. **Class VI – James and Linda Samuel**

(2) **Classification.** This class shall consist of the secured claim asserted by James and Linda Samuel pursuant to that certain Order for Summary Judgment dated July 7, 2009, in the amount of approximately \$122,572.22, together with interest. The Debtor believes this Judgment was recorded in Onslow County on July 7, 2009 and Pender County on August 24, 2009. Pursuant to a proof of claim filed by James and Linda Samuel with this Court on June 14, 2010, the outstanding balance of \$123,722.20.

(2) **Impairment.** This class will be impaired.

(3) **Treatment.** Any allowed judgment lien claim that is not avoided pursuant to 11 U.S.C. § 547 shall continue to accrue interest at the North Carolina judgment rate of interest and this amount, plus such costs as may be allowed by the Court pursuant to 11 U.S.C. § 506(b), shall be treated as a single, fully-secured claim subordinate to the mortgages and liens of Bank of America and any other creditor holding a valid judgment or secured claim recorded prior to the judgment asserted by the Samuels. The Samuels shall retain this lien pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code until this claim is paid in full. The Debtor will liquidate the collateral secured by this loan by private or public sale to be conducted within 24 months of the Effective Date of the Plan. During this period, the Debtor shall not be obligated to make any payments to this creditor. At the expiration of the 24 month sale period, the Samuels shall be entitled to relief from the automatic stay to exercise such state law remedies they may deem appropriate.

G. **Class VII – Stover Siding Company (“Stover”)**

(3) **Classification.** This class shall consist of the claim asserted by Stover. The Debtor believes that Stover obtained a Judgment against it in Onslow County in the amount of approximately \$6,000.00, together



with interest. The Debtor believes this Judgment is recorded in the Onslow County, North Carolina.

(2) Impairment. This class will be impaired.

(3) Treatment. Any allowed judgment lien claim that is not avoided pursuant to 11 U.S.C. § 547 shall continue to accrue interest at the North Carolina judgment rate of interest and this amount, plus such costs as may be allowed by the Court pursuant to 11 U.S.C. § 506(b), shall be treated as a single, fully-secured claim subordinate to the mortgages and liens of Bank of America and any other creditor holding a valid judgment or secured claim recorded prior to the judgment asserted by Stover. Stover shall retain this lien pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code until this claim is paid in full. The Debtor will liquidate the collateral secured by this loan by private or public sale to be conducted within 24 months of the Effective Date of the Plan. During this period, the Debtor shall not be obligated to make any payments to this creditor. At the expiration of the 24 month sale period, Stover shall be entitled to relief from the automatic stay to exercise such state law remedies it may deem appropriate.

H. **Class VIII – Walton Engineering**

(4) Classification. This class shall consist of the claim asserted by Walton Engineering. The Debtor believes that Walton Engineering obtained a Judgment against it in Pender County in the amount of approximately \$46,937.50, together with interest. This Judgment is recorded in Pender County, North Carolina.

(2) Impairment. This class will be impaired.

(3) Treatment. Any allowed judgment lien claim that is not avoided pursuant to 11 U.S.C. § 547 shall continue to accrue interest at the North Carolina judgment rate of interest and this amount, plus such costs as may be allowed by the Court pursuant to 11 U.S.C. § 506(b), shall be treated as a single, fully-secured claim subordinate to the mortgages and liens of Bank of America and any other creditor holding a valid judgment or secured claim recorded prior to the judgment asserted by Walton. Walton shall retain this lien pursuant to § 1129(b)(2)(A)(i)(I) of the Bankruptcy Code until this claim is paid in full. The Debtor will liquidate the collateral secured by this loan by private or public sale to be conducted within 24 months of the Effective Date of the Plan. During this period, the Debtor shall not be obligated to make any payments to this creditor. At the expiration of the 24 month sale period, Walton shall be entitled to relief from the automatic stay to exercise such state law remedies it may deem appropriate.

Walton currently asserts a mechanics lien against that certain 45± acre tract of real property (the Old Point property) conveyed from HP, Inc. to TP, Inc. subsequent to the Debtor's bankruptcy filing. In the event of a sale of the Old Point property, the proceeds of shall be disbursed in accordance with valid security interests in that property and future orders of the Bankruptcy Court.

I. **Class IX – North Carolina Department of Environment and Natural Resources ("NCDENR")**

(1) Classification. The NCDENR filed a claim against the Debtor as a result of an assessment of civil penalties dated August 14, 2008, in the amount of \$5,547.26 pursuant to a proof of claim filed with this Court on August 26, 2010. This civil penalty was assessed against the Debtor pursuant to an investigation performed by the NCDENR, by and through the Director of the Division of Water Quality, which was directly related to the Oceanaire Estates property owned by the Debtor located on South Shore Drive in Pender County, North Carolina.

(2) Impairment. This class will be impaired.

(3) Treatment. This claim shall be treated as a General Unsecured Claim in accordance with the

treatment afforded the holders of Class X claims.

**J. Class X – General Unsecured Claims:**

- (1) Classification. This class consists of all Allowed Claims that are not Administrative Claims, Priority Tax Claims, or Secured Claims.
- (2) Impairment. This class will be impaired.
- (3) Treatment. The aggregate amount of non-insider General Unsecured Claims is estimated at \$12,836,586.21. The Debtor shall pay creditors in the Class that hold allowed claims a pro-rata dividend equal to the net proceeds derived from the sale or collection of estate assets in accordance with the schedule proposed herein. Such payments, whether from sale proceeds or net disposable income, shall be made over the 24-month period following the Effective Date by periodic installments payable pro-rata to creditors in this Class. Upon the liquidation of such assets or the proceeds therefrom, and the satisfactory completion of this payment schedule, the Debtor shall not be under any further or continuing obligation to creditors in this class, and the respective claims of each shall be deemed satisfied and extinguished.

**K. Class XI – Equity Security Holders**

- (1) Class XI Claims consist of any interest in TP, Inc. represented by shares of capital stock, or any other claim of ownership in the Debtor.
- (2) Impairment. This class will be impaired.
- (3) Treatment. The holders of Class IX equity interests shall not receive or retain any interest or property under the Plan, except as provided in the Plan's Means of Execution. On the Effective Date, all certificates that previously evidenced ownership of TP, Inc. shall be canceled, and all pre-petition claims of ownership in the Debtor shall be terminated.

**VII. DISCLAIMER**

All parties are advised and encouraged to read this Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan or before voting on any other matter as provided for herein.

Plan summaries and statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan itself, the Disclosure Statement, and all exhibits annexed thereto. The statements contained in this Disclosure Statement are made only as of the date hereof. No assurances exist that the statements contained herein will be correct any time hereafter.

The information contained in this Disclosure Statement is included herein for purposes of soliciting acceptances of the Plan and may not be relied upon for any purpose other than to determine how to vote on the Plan. No representations concerning the Debtor are authorized by the Debtor other than as set forth in this Disclosure Statement. Any other representations or inducements made to solicit your acceptance that are not contained in this Disclosure Statement should not be relied upon by you in arriving at your decision to accept or reject the Plan.

With respect to adversary proceedings, contested matters, other actions or threatened actions, this Disclosure Statement shall not constitute or be construed as an admission of any fact or liability, stipulation, or waiver; rather, this Disclosure Statement shall constitute statements made in connection with settlement negotiations.

This Disclosure Statement shall not be admissible in any non-bankruptcy proceeding involving the Debtor or any other party. Furthermore, this Disclosure Statement shall not be construed to be conclusive advice on the legal

effects, including, but not limited to the tax effects, of the Debtor's Plan of Reorganization. You should consult your legal or tax advisor on any questions or concerns regarding the tax or other legal consequences of the Plan.

The information contained herein is not the subject of a certified audit and formal appraisals. The Debtor's records are dependent upon internal accounting methods. As a result, valuations and liabilities are estimated. Although substantial efforts have been made to be complete and accurate, the Debtor is unable to warrant or represent the full and complete accuracy of the information contained herein.

#### **VIII. PROVISIONS FOR VOTING ON A PLAN**

A. Creditors Allowed to Vote and Deadline. Creditors holding allowed claims are entitled to vote to accept or reject the Debtor's Plan of Reorganization. The Court has fixed a date by which ballots upon a proposed Plan must be filed with counsel for the Debtor as an agent of the Court. Even though a creditor may choose not to vote, or vote against the Plan, the creditor will be bound by the terms and treatment set forth in the Plan if the Plan is accepted by the requisite majorities in each class of creditors and/or is confirmed by the Court. Creditors who fail to vote will not be counted in determining acceptance or rejection of the Plan. Allowance of a claim or interest for voting purposes does not necessarily mean that the claim will be allowed or disallowed for purposes of distribution under the terms of the Plan. Any claim to which an objection has been or will be made will be allowed only for distribution after determination by the Court. Such determination may be made after the Plan is confirmed.

B. Voting Provisions. In order for the Plan to be deemed accepted by the class of creditors holding General Unsecured Claims (Class X under the Plan), creditors that hold at least two-thirds ( $\frac{2}{3}$ ) in the dollar amount and more than one-half ( $\frac{1}{2}$ ) in the total number of allowed claims of creditors voting on the Plan must accept the Plan. Under certain limited circumstances more fully described in 11 U.S.C. Section 1129(b), the Court may confirm a Plan notwithstanding the rejection thereof by more than one-third ( $\frac{1}{3}$ ) in amount or one-half ( $\frac{1}{2}$ ) in number of the creditors voting on the Plan in any given class. The Debtor intends to seek confirmation under 11 U.S.C. Section 1129(b) in the event any class of creditors rejects the Plan.

C. Representations Limited. No representations concerning the Debtor, particularly those regarding future business operations or the value of the Debtor's assets, has been authorized by the Debtor except as set forth in this statement. You should not rely on any other representations or inducements offered to you to secure your acceptance and arriving at your decision on voting on the Plan. Any person making representations or inducements concerning acceptance or rejection of the Plan should be reported to counsel for the Debtor.

While every effort has been made to provide the most accurate information available, the Debtor is unable to warrant or represent that all information is without inaccuracy. No known inaccuracies are represented herein. Further, much of the information contained herein consists of projections of future performance. While every effort has been made to ensure that the assumptions are valid and that the projections are as accurate as can be made under the circumstances, the Debtor has not undertaken to certify or warrant the absolute accuracy of the projections.

No formal appraisals have been undertaken of the Debtor's property. The values placed thereon and summarized below are the Debtor-in-Possession's best estimate of the liquidation values of the property as of the time of the filing of this Disclosure Statement. However, the Debtor has sought the opinions of persons experienced in valuing property in arriving at his estimates of values. These values may differ from values placed on the property at the time of the filing of the Petition for relief and the subsequent schedules.

#### **IX. ACCEPTANCE AND CONFIRMATION**

The Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing to consider confirmation of the Plan. The confirmation hearing will be scheduled at a time and place to be determined by the Bankruptcy Court. The confirmation hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the confirmation hearing.

At the confirmation hearing, the Bankruptcy Court will determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. These requirements include determinations by the Bankruptcy Court that (i) the Plan has classified Claims in a permissible manner; (ii) the Plan is in the "best interests" of all Creditors; (iii) the Plan is feasible; (iv) the Plan has been accepted by the requisite number and amount of Creditors in each Class entitled to vote on the Plan, or that the Plan may be confirmed without such acceptances; (v) the Plan and its proponent comply with various technical requirements of the Bankruptcy Code; (vi) the Debtor has proposed the Plan in good faith; (vii) any payments made or promised in connection with the Plan are subject to the approval of the Bankruptcy Court as reasonable; and (viii) the Plan provides specified recoveries for certain priority claims. The Debtor believes that all of these conditions have been or will be met prior to the Confirmation hearing.

A. Classification of Claims. The Bankruptcy Code requires that a plan place each creditor's claim in a class with "substantially similar" claims. The Debtor believes that the Plan's classification of claims complies with the requirements of the Bankruptcy Code and applicable case law.

B. The Best Interests Test. Notwithstanding acceptance of the Plan in accordance with Section 1126 of the Bankruptcy Code, the Bankruptcy Court must find, whether or not any party in interest objects to Confirmation, that the Plan is in the best interests of the Creditors. Bankruptcy courts have generally defined "best interests" as the Bankruptcy Code's requirement that, under any plan of reorganization, each member of an impaired class of creditors must receive or retain, on account of its claim, property of a value, as of the effective date of the plan, that is not less than the amount such creditor would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan is in the best interests of all Creditors.

The Debtor has considered immediately liquidating, and has taken into account the nature, status, and values of his assets. The determination of the hypothetical proceeds from the sale of assets in a chapter 7 liquidation is an uncertain process involving numerous underlying assumptions. Accordingly, there can be no assurance that the assumptions employed by the Debtor in determining the liquidation value of the Debtor's assets will result in an accurate estimation of such liquidation values.

To determine what the Creditors would receive if the Debtor were liquidated under chapter 7, the dollar amount that would be generated from the liquidation of the Debtor's non-exempt assets in a chapter 7 liquidation case needs to be considered. The amount that would be available for the satisfaction of Claims would consist of the Debtor's interest in the net proceeds resulting from the disposition of the Estate's assets, augmented by the Debtor's interest in the cash on hand.

The Estate's interest would be further reduced by the amount of any Secured Claims, the costs and expenses of the liquidation, and such additional Administrative Claims and Priority Claims that may result from the liquidation of the Debtor's assets and/or termination of the Debtor's business. These calculations are set forth in a liquidation analysis attached to this Disclosure Statement as Exhibit "D."

The costs of liquidation under chapter 7 would become Administrative Claims with the highest priority against the proceeds of liquidation. Such costs would include the fees payable to a chapter 7 trustee, as well as those which might be payable to attorneys, financial advisors, appraisers, accountants and other professionals that such a trustee may engage to assist in the liquidation.

After satisfying Administrative Claims arising in the course of the chapter 7 liquidation, the proceeds of the liquidation would then be payable to satisfy any unpaid expenses incurred during the time the Case was pending under chapter 11, including compensation for the Debtor, attorneys, financial advisors, appraisers, accountants and other professionals retained by the Debtor.

After consideration of the effects that a chapter 7 liquidation would have on the proceeds available for distribution, including the increased costs and expenses of a chapter 7 liquidation arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, the Debtor believes that holders of Administrative Claims, Priority

Tax Claims, and General Unsecured Claims are at far greater risk of receiving no payment if the Debtor's assets were liquidated in a Chapter 7.

In contrast, under the Plan, the Administrative Claims and Secured Claims will be paid in full or otherwise satisfied and the General Unsecured Claims will be paid in full.

For the reasons discussed above, the Debtor has concluded that the Plan provides Creditors with a recovery that has a present value at least equal to the present value of the distribution that such Person would receive if the Estate were liquidated under chapter 7 of the Bankruptcy Code.

BECAUSE THE LIQUIDATION ANALYSIS AND THE PROJECTIONS ARE BASED UPON A NUMBER OF ASSUMPTIONS AND ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES THAT ARE BEYOND THE DEBTOR'S CONTROL, THERE CAN BE NO ASSURANCE THAT THE LIQUIDATION VALUES WOULD, IN FACT, BE REALIZED IN THE EVENT OF A LIQUIDATION UNDER CHAPTER 7 OR THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY BE HIGHER OR LOWER THAN THOSE SHOWN IN THE EXHIBITS, POSSIBLY BY MATERIAL AMOUNTS.

C. Feasibility of the Plan. Section 1129(a)(11) of the Bankruptcy Code requires a judicial determination that confirmation of the Plan will not likely be followed by liquidation or the need for further financial reorganization of the Debtor or any other successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. The Debtor believes that the Debtor will be able to meet its obligations under the Plan.

D. Confirmation. The Plan may be confirmed if the holders of impaired Classes of Claims accept the Plan. Classes of Claims that are not impaired are deemed to have accepted the Plan. A Class is impaired if the legal, equitable or contractual rights attaching to the Claims or interests of that Class are modified other than by curing defaults and reinstating maturities or by full payment in cash. Creditors with Claims or Interests in Classes IV, V, VI, VII, VIII, IX and X are impaired under this Plan and are thus entitled to vote.

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by the holders of two-thirds in dollar amount and a majority in number of allowed claims in that class. This calculation includes only those holders of claims who actually vote to accept or reject the Plan. Votes on the Plan are being solicited only from holders of Allowed Claims in impaired Classes who are expected to receive distributions.

In the event that an impaired Class does not accept the Plan, the Bankruptcy Court may nevertheless confirm the Plan at the Debtor's request if (i) all other requirements of Section 1129(a) of the Bankruptcy Code are satisfied, and (ii) as to each impaired Class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such non-accepting Class. **THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF ALL CREDITORS AND STRONGLY RECOMMENDS THAT ALL PARTIES ENTITLED TO VOTE CAST THEIR BALLOTS IN FAVOR OF ACCEPTING THE PLAN.** Nevertheless, the Debtor has requested that the Bankruptcy Court confirm the Plan over the rejection of any non-accepting Class in the event all other elements of Section 1129(a) of the Bankruptcy Code are satisfied.

A plan "does not discriminate unfairly" if the legal rights of a non-accepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are intertwined with those of the non-accepting class, and no class receives payments in excess of that which it is legally entitled to receive. The Debtor believes that, under the Plan, all holders of impaired Claims are treated in a manner that is consistent with the treatment of other holders of Claims with which any of their legal rights are intertwined. Accordingly, the Debtor believes the Plan does not discriminate unfairly as to any impaired class of Claims.

The condition that a plan be "fair and equitable" generally requires that an impaired class that has not accepted the plan must receive certain specified recoveries, as set forth in Section 1129(b)(2) of the Bankruptcy Code. The Debtor believes that the Plan meets the thresholds specified in this section of the Bankruptcy Code.

**X. EFFECT OF CONFIRMATION**

On the Effective Date, the Debtor and the Estate will be discharged from all Claims and Liens which existed prior to confirmation of the Plan, except for Liens, payments and distributions expressly provided for in the Plan. The discharge will be fully effective against all Creditors regardless of whether they have voted to accept or reject the Plan and regardless of whether the Plan is confirmed by consent or by resort to the provisions of section 1129(b) of the Bankruptcy Code. Except as otherwise provided in the Plan, the confirmation of the Plan vests all of the property of the estate in the Debtor.

**XI. RECOMMENDATION AND CONCLUSION**

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE GREATEST AND EARLIEST RECOVERY TO CREDITORS AND IS IN THE BEST INTEREST OF CREDITORS, THEREFORE, THE DEBTOR RECOMMENDS THAT ALL CREDITORS VOTE TO **ACCEPT** THE PLAN.

**XII. OTHER SOURCES OF INFORMATION AVAILABLE  
TO CREDITORS AND PARTIES IN INTEREST**

Additional motions, affidavits, orders or other documentation which might be of interest to any holder of a claim against the Debtor in this proceeding are shown on the docket sheet maintained by the Clerk's office. Copies of the docket sheet and actual items can be obtained from the office of the Clerk of the Bankruptcy Court:

Peggy B. Deans, Clerk  
U.S. Bankruptcy Court  
1800 Parkwood Blvd / P.O. Drawer 2807  
Wilson, NC 27894-3758  
252-237-6854

Respectfully submitted, this the 24<sup>th</sup> day of September, 2010.

/s/ David J. Haidt  
DAVID J. HAIDT  
N.C. State Bar #22092  
Attorneys for the Debtor  
AYERS & HAIDT, P.A.  
Post Office Box 1544  
New Bern, NC 28563  
(252) 638-2955

DEBTOR:  
TP, Inc.

/s/ Ronald S. Bryant  
BY: Ronald S. Bryant, President



**EXHIBIT "A"**  
**ASSETS OF DEBTOR**

<b><u>ASSETS</u></b>	<b><u>MARKET VALUE</u></b>
<b><u>REAL PROPERTY</u></b>	
Lot 161, 172 & 173 The Sanctuary Mecklenburg County, NC	\$2,500,000.00
10.41 acres of raw land, Goat Island Pender County, NC	\$ 299,000.00
45.34 acres of wetlands, Topsail Cove	\$ 9,700.00
N. New River Drive, Private Road into Topsail Cove, NC	\$ 1,200.00
3674 Island Drive, N. Topsail Beach	\$ 514,730.00
213 Lacy Day Drive, Surf City, NC (This property was previously sold)	\$ -0-
Tract B, Lot 16, 5.21 Acres	\$ 86,000.00
3729 Island Drive, North Topsail Beach	\$ 375,000.00
3731 Island Drive, North Topsail Beach	\$ 375,000.00
4730 23 <sup>rd</sup> Avenue, North Topsail Beach	\$ 800,000.00
4731 2 <sup>nd</sup> Avenue, North Topsail Beach	\$ 150,000.00
3683 Island Drive, North Topsail Beach	\$ 119,000.00
3687 Island Drive, North Topsail Beach	\$ 119,000.00
117 Anchor Drive, Surf City	\$ 350,000.00
115 Anchor Drive, Surf City	\$ 335,000.00
101 Anchor Drive, Surf City	\$ 319,000.00
101 W. Wilmington, Surf City	\$ 319,000.00
412 W. Wilmington, Surf City	\$ 99,000.00
414 W. Wilmington, Surf City	\$ 99,000.00
416 W. Wilmington, Surf City	\$ 99,000.00
113-A Anchor Drive, Surf City	\$ 295,000.00

113-B Anchor Drive, Surf City	\$ 295,000.00
111-A Anchor Drive, Surf City	\$ 295,000.00
111-B Anchor Drive, Surf City	\$ 295,000.00
109-A Anchor Drive, Surf City	\$ 295,000.00
109-B Anchor Drive, Surf City	\$ 295,000.00
107-A Anchor Drive, Surf City	\$ 295,000.00
107-B Anchor Drive, Surf City	\$ 295,000.00
105-A Anchor Drive, Surf City	\$ 295,000.00
105-B Anchor Drive, Surf City	\$ 295,000.00
103-A Anchor Drive, Surf City	\$ 295,000.00
103-B Anchor Drive, Surf City	\$ 295,000.00
1901 Ocean Blvd, Topsail Beach	\$ 200,000.00
1903 Ocean Blvd. Topsail Beach	\$ 200,000.00
1811 Ocean Blvd., Topsail Beach	\$ 200,000.00
Oceanaire Estates, Surf City	\$2,175,000.00
460 North Anderson Blvd., Topsail Beach	\$ 365,000.00
Old Point (45 Acres – Pender County)	\$3,000,000.00

**TOTAL REAL PROPERTY:** **\$16,648,630.00**

**PERSONAL PROPERTY (estimated)**

Cash in checking/BB&T & BOA	\$ 368.00
Rental Deposits held by Century 21 (as of Petition Date)	\$107,324.48
2006 Buick (Wrecked)	\$ 1,000.00

**TOTAL PERSONAL PROPERTY:** **\$ 108,692.48**

**TOTAL ASSETS:** **\$16,757,322.48**

**EXHIBIT "B"**  
**LIABILITIES**

**ADMINISTRATIVE (estimated):**

David J. Haidt	Est. Atty. Fee/Expense	\$ 75,000.00
Bank of America		\$ 225,000.00

**TOTAL ESTIMATED ADMINISTRATIVE CLAIMS: \$300,000.00**

**PRIORITY:**

Internal Revenue Service	No Claim Filed
North Carolina Dept of Revenue	No Claim Filed
NC Employment Security Commission	No Claim Filed
Pender County Tax Collector (Claim #1)	\$ 4,678.22
Onslow County Tax Collector (Claim #2)	\$ 8,784.83
Mecklenburg County Tax Collector (Claim #9)	\$ 37,797.71

**TOTAL PRIORITY: \$51,260.76**

**SECURED:**

BOA (Claim #7)	\$ 7,895,000.00
BOA (post-petition future advance DOT)	\$ 206,540.00
Georgia Capital (Claim #3)	\$ 773,483.36
James & Linda Samuel (Claim #4)	\$ 123,722.30
Stover Siding	\$ 6,000.00
Walton Engineering	\$ 46,937.50

**TOTAL SECURED: \$9,051,683.16**

**UNSECURED (estimated):**

NCDEHR	\$ 5,547.26
BOA (Claim #7)	\$12,320,143.91
Nexsen Pruet, PLLC (Claim #6)	\$ 340,985.04
BOA	\$ 8,800.00
BOA	\$ 1,000.00
Benjamin Barnes, CPA	\$ 8,800.00
Coastal Lightning	\$ 18,000.00
Frymers Heat & Air	\$ 1,700.00
Marshall Dotson, Jr.	\$ 3,615.00
Padgett Surveying	\$ 7,800.00
Pilings & Moore	\$ -0-
Real Elevator	\$ -0-
Tom Kerner, Esq.	\$ 10,000.00
Town of Surf City (Claim #5)	\$ 35,514.00
Town of Topsail Beach	\$ 681.00
Tri-County Electric	\$ 12,000.00
Wellman Construction	\$ 62,000.00

**TOTAL UNSECURED:** **\$12,836,586.21**

**EQUITY SECURITY HOLDERS:**

Ron & Debra Bryant \$2,873,000.00

**TOTAL EQUITY SECURITY HOLDERS:** **\$2,873,000.00**

**TOTAL LIABILITIES:** **\$25,112,530.13**

**TOTAL NET WORTH/LOSS:** **<\$8,355,207.65>**

**EXHIBIT "D"**  
**LIQUIDATION ANALYSIS**

<b>ASSET</b>	<b>CREDITOR &amp; LIEN</b>	<b>MARKET VALUE</b>	<b>EQUITY</b>
Cash in checking/BB&T & BOA	BOA	\$200.00	\$-0-
Rental Deposits held by Century 21	BOA	\$107,324.48	\$-0-
2006 Buick (Wrecked)	None	\$1000.00	\$1000.00
3674 Island Drive North Topsail Beach	None	\$514,730.00	\$514,730.00
213 Lacy Day Drive Surf City, NC	Debtor claims no interest in this property as it was sold in 2007.	N/A	N/A
Lots 162, 172 and 173 Mecklenburg Co., NC	Georgia Capital \$773,483.36  Order of Attachment and Lis Pendens asserted by Bank of America	\$2,500,000.00	\$1,726,516.64
45.31 acres wetland	None	\$9,700.00	\$9,700.00
N. New River Drive Topsail Cove	None	\$1,200.00	\$1,200.00
10.41 Acres Goat Island	None	\$299,000.00	\$299,000.00
Remainder Real Estate located in North Topsail Beach, Topsail Beach, and Surf City, North Carolina	BOA \$7,785,000.00	\$10,324,000.00	\$2,539,000.00
Old Point Property 45± acres Pender Cty	Walton Engineering \$46,000  Ayers & Haidt, PA \$150,000  Bank of America \$206,450	\$3,000,000	\$2,597,550.00

TOTAL EQUITY		\$7,688,696.64
LESS: PRIORITY TAX CLAIMS		\$51,260.76
ADMINISTRATIVE CLAIMS - EST.		\$300,000.00
10% LIQUIDATION COSTS -		\$768,896.66
TOTAL NET EQUITY AVAILABLE TO UNSECURED CREDITORS:		\$6,568,539.22



**CERTIFICATE OF SERVICE**

I hereby certify that I this day have served a copy of the foregoing Disclosure Statement upon the other parties to this action by depositing a copy thereof via electronic service or by regular mail addressed to counsel for said parties, this 24<sup>th</sup> day of September, 2010.

Dated: September 24, 2010

/s/ David J. Haidt  
DAVID J. HAIDT  
AYERS & HAIDT, P.A.  
Attorney for Debtor  
P.O. Box 1544  
New Bern, NC 28563  
(252) 638-2955  
N.C. State Bar #22092

TO:

Bankruptcy Administrator (via CM/ECF)  
PO Box 3758  
Wilson, NC 27894-3758

Henry L. Kitchin, Jr., Esq.  
McGuire Woods, LLP