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6 **UNITED STATES BANKRUPTCY COURT**
7 **FOR THE DISTRICT OF ARIZONA**

8 In re:

Chapter 11

9 BOSS REAL ESTATE HOLDINGS, LLC,

Case No. 17-bk-03716-BMW

10 Debtor.

11 **DISCLOSURE STATEMENT**
12 **FOR CHAPTER 11 PLAN OF**
13 **REORGANIZATION**

14 NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZ-
15 ED BY THE DEBTOR OTHER THAN THOSE STATED HEREIN. YOU SHOULD NOT
16 RELY ON ANY REPRESENTATIONS OR INDUCEMENTS CONCERNING THE PLAN
OTHER THAN THOSE CONTAINED IN THIS DISCLOSURE STATEMENT.

17 AN ACCOUNTANT HAS NOT REVIEWED THE INFORMATION CONTAINED IN THIS
18 DISCLOSURE STATEMENT OR ITS EXHIBITS. THE DEBTOR CANNOT WARRANT OR
19 REPRESENT THAT THE INFORMATION IS WITHOUT ANY ERROR. HOWEVER, THE
INFORMATION IS ACCURATE TO THE BEST OF THE DEBTOR'S KNOWLEDGE AND
20 BELIEF.

20 **ARTICLE I**

21 **INTRODUCTION TO THE DISCLOSURE STATEMENT AND VOTING**

22 **1.1 Purpose of the Disclosure Statement.**

23 This *Disclosure Statement for Chapter 11 Plan of Reorganization* ("Disclosure
24 Statement") is submitted by the Debtor and Debtor-in-Possession (**the "Debtor"**) pursuant to 11
25 U.S.C. § 1125. Its purpose is to provide creditors with the information necessary to enable them
26 to arrive at an informed decision for voting on the Debtor's *Chapter 11 Plan of Reorganization*
27

1 (the "Plan"), which is on file at the Bankruptcy Court. (A copy of the Plan is attached to this
2 Disclosure Statement as **Exhibit "1"**). As a creditor, your acceptance of the Plan is important.
3 Acceptance of the Plan by a class of creditors requires a vote by at least two-thirds in claim
4 amount and more than fifty percent in number of the allowed claims in the class that actually cast
5 votes. Failure to vote on the Plan does not count as either an acceptance or rejection of the Plan.
6

7 **1.2 Definitions.**

8 Unless a word is otherwise defined in this Disclosure Statement, it has the meaning given
9 to it by the U.S. Bankruptcy Code and the U.S. Bankruptcy Court Rules, or in the Definition
10 section in the Plan.

11 **1.3 Authorized Representations.**

12 This Disclosure Statement is the only document authorized by the Bankruptcy Court to
13 be used for the solicitation of votes on the Plan.
14

15 **1.4 Voting Procedures.**

16 To be entitled to vote, a creditor must have an allowed claim that is impaired under the
17 Plan. The Bankruptcy Code defines whether a claim is impaired in 11 U.S.C. § 1124.
18 Summarily, a claim is impaired if the Plan modifies the legal, equitable or contractual rights of
19 the claimant, or if the Plan does not cure and reinstate the legal rights of the claimant upon
20 default. A creditor in a class that will not, under any circumstances, receive any distributions
21 under the Plan, is not entitled to vote because the class of which it is a member is deemed to have
22 rejected the Plan. If a creditor holds more than one claim in one class, all of the claims in such
23 class will be aggregated and the creditor will be entitled to one vote in the amount of all
24 aggregated claims in that class.
25

1 **All creditors or parties-in-interest entitled to vote on the Plan may cast its votes for**
2 **or against the Plan by completing, dating, and signing the ballot which accompanies this**
3 **Disclosure Statement.**

4 In order for the ballot to be considered, the original ballot must be mailed to the
5 Bankruptcy Court and the copies of the ballot must be sent to the attorneys for the Plan
6 proponents. The Court has issued an Order requiring that all votes for the acceptance or rejection
7 of the Plan be received by the close of business on _____. The ballots should be sent as
8 follows: the original to the Clerk, U.S. Bankruptcy Court, 230 North First Avenue, Suite 101,
9 Phoenix, Arizona 85003 and a copy to Ronald Ellett at Ellett Law Offices located at 2999 North
10 44th Street, Suite 330, Phoenix, Arizona 85018.

11 **Your ballot will not be counted if the Clerk of the Bankruptcy Court or the**
12 **proponent's counsel receives it after such deadline.** You may not change your vote after it is
13 cast, unless the Bankruptcy Court permits you to do so after notice and a hearing to determine
14 whether sufficient cause exists to permit the change.
15

16 **1.5 Confirmation of the Plan.**

17 In order for the Plan to be effective, it has to be confirmed. Confirmation of the Plan
18 means that the Court has approved the Plan. For the Plan to be confirmed, votes by each
19 impaired class representing at last two-thirds in amount of the allowed claims voting in each
20 class and greater than one-half in number of individual creditors for such class (of those casting
21 votes) must be submitted in favor of acceptance of the proponent's Plan. If the requisite
22 acceptances are not obtained from one or more impaired classes, the Court may nonetheless
23 confirm the proponent's Plan pursuant to 11 U.S.C. § 1129(b). If one impaired class accepts the
24 Plan and the Court finds that the Debtor's Plan provides, among other things, fair, and equitable
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1 treatment of the classes rejecting the Plan and that creditors receive as much or more under the
2 Plan than they would receive in a Chapter 7 liquidation (discussed more fully below), the Court
3 may confirm the Plan. When confirmed by the Bankruptcy Court, this Plan will bind all holders
4 of claims or equity interest in the Debtor, whether or not they are entitled to vote, or did vote, on
5 the Plan, and whether or not they received or retained any distributions of property under the
6 Plan.
7

8 ARTICLE II

9 INFORMATION ABOUT THE DEBTORS

10 2.1 Pre-Bankruptcy Filing Factual Background.

11 On or around March 14, 2016 the Debtor entered into a Promissory Note for
12 \$5,100,000.00 and Deed of Trust with AZ 3-16 Fund LLC and Asset-Backed Partners, LP (“AZ
13 3-16”) that provided for monthly payments of \$46,625.00. The Deed of Trust was secured
14 against the Debtor’s commercial building located at 2816 South Country Club Drive and 2828
15 South Country Club Drive, Mesa, Arizona 85210 (“Real Property”). At this building the Debtor
16 operates a car wash, a lube shop, and a small convenient store. The Debtor also rents space to
17 tenants, including a barber shop and a window tinting shop. The Debtor’s cash flow proved to be
18 insufficient to make its payments on the first mortgage and Deed of Trust owed to AZ 3-16.
19

20 On April 16, 2016 the Debtor gave a second lien position to Bank 34 and a Deed of Trust
21 for \$550,000.00 was recorded. The Debtor received no money in exchange for this transfer.
22 While affiliates of the Debtor had received a loan from Bank 34 on or about March 18, 2016,
23 none of those proceeds were ever paid to the Debtor. At the time of the transfer, the Debtor did
24 not have sufficient cash flow or cash reserves to pay the first mortgage to AZ 3-16 and to pay
25 any monies to Bank 34 on the \$550,000.00 Deed of Trust. It is worth noting that there was
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1 neither a Note nor a Guarantee issued by the Debtor to Bank 34. Instead, Bank 34 simply
2 recorded a Deed of Trust without an accompanying Note or Guarantee.

3 By December of 2016 the Debtor was seriously delinquent on its payments to AZ 3-16
4 and property taxes on the Real Property. Further, the Debtor had made no payments to Bank 34
5 since the time it received its second Deed of Trust. Payments to unsecured creditors were also
6 becoming delinquent.

7
8 On February 3, 2017 Bank 34 filed a Complaint an Application for Appointment of
9 Receiver and Application for Order to Show Cause why a receiver should not be appointed with
10 the Arizona Superior Court, Maricopa County. The Court held a hearing on the Order to Show
11 Cause on February 24, 2017. At the Return Hearing, Bank 34's counsel withdrew its request for
12 the Appointment of a Receiver and asked for leave to file an Amended Complaint "if
13 appropriate." Bank 34 never filed an Amended Complaint and the case was dismissed on April
14 25, 2017.

15
16 In the meantime, AZ 3-16 filed a Complaint and Application for Appointment of
17 Receiver on March 23, 2017. A Return Hearing on the Order to Show Cause was set for April
18 11, 2017. The Debtor instituted the bankruptcy proceeding on April 10, 2017 by filing a
19 voluntary petition under Chapter 11 of the Bankruptcy Code (the "Code") with the Bankruptcy
20 Court for the District of Arizona. The Debtor continues in possession of its assets and
21 management of its property as a Debtor-in-possession pursuant to §§ 1107(a) and 1108.

22 **2.2 Post-Bankruptcy Filing Events.**

23 **Retention of Professionals**

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25 The Debtor retained Ellett Law Offices, P.C., to act as its bankruptcy counsel. The Court
26 signed an Order approving the retention on April 18, 2017.

1
2 **Appointment of Unsecured Creditors Committee**

3 On May 16, 2017 the United States Trustee's office filed a statement concerning its
4 inability to appoint a committee of unsecured creditors.

5 **Claims Bar Date**

6 The Court has set November 10, 2017 as the last day to file Proof of Claims.
7

8 **2.3 Financial Information About the Debtor.**

9 The Debtor's assets and liabilities are fully disclosed in the Debtor's Schedules and
10 Statement of Financial Affairs and the amendments thereto. During the course of this bankruptcy
11 case, the Debtor will file all Monthly Operating Reports required by the Office of the U.S.
12 Trustee and by the Bankruptcy Code and Rules, and it has paid all quarterly fees due. The Debtor
13 does not intend to incur any non-ordinary course of business or financial affairs post-petition
14 debt.
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16 **ARTICLE III**

17 **DESCRIPTION OF THE REORGANIZATION PLAN AND CLASSIFICATION AND**
18 **TREATMENT OF CLAIMS**

19 As required by § 1112 of the Bankruptcy Code, creditors are divided into classes, each
20 of which includes creditors who are similarly situated with the other creditors in the class. The
21 classes provided for by the Plan and their treatment under the Plan is as follows:
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23 Administrative claims will be paid in full on the effective date unless the holder of the
24 claim agrees to a different treatment. It is estimated the total attorney's fees for this case, up
25 through confirmation, will be between \$55,000.00 and \$75,000.00.
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1 Classified Claims - Under the Plan, Allowed Secured Claims, Allowed Unsecured
2 Claims, and any Interest in Debtors or any Interest or Claim held by the Debtor's Equity Holder
3 constitute classified claims which are treated under the Plan as follows:

4 Class 1: This Class shall consist of the AZ 3-16 Fund, LLC and Asset-Backed Lending
5 Partners, LP ("AZ 3-16"). AZ 3-16 holds a first priority lien and security interest in the Debtor's
6 Real Property, including, but not limited to, the Debtor's rights to receive payments, income,
7 receipts, issues, deposits, profits, accounts, and general intangibles in the principal amount of
8 approximately \$5,100,000.00, with accruing interest. The Debtor will pay this claim pursuant to
9 the terms of the attached *Stipulation Between the Debtor and AZ 3-16 Lenders Regarding (I)*
10 *Plan Treatment; (II) Modification of the Automatic Stay; and (III) For Related Relief*
11 *("Stipulation")*. AZ 3-16 will receive payments pursuant to the Stipulation. AZ 3-16 will retain
12 its lien rights as provided in the attached Stipulation. Class 1 is impaired and is entitled to vote.
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15 Class 2: This Class shall consist of the Unsecured Claim of Bank 34. Bank 34's claim
16 will be avoided. The Debtor will file an adversary complaint seeking to avoid Bank 34's claim
17 pursuant to A.R.S. § 1004(A)(2) and 11 U.S.C. § 544(A)(1)(b). The claim of Bank 34 will be
18 avoided and Bank 34 will not receive any payment for its lien. This Class is not impaired and is
19 not entitled to vote.
20

21 Class 3: This Class shall consist of the Secured Claim of Raul Tellez Leon. Mr. Leon
22 holds a secured claim in the Debtor's 2001 Volkswagen Jetta in the amount of \$2,500.00. The
23 Debtor shall pay this claim in full in equal monthly installments of \$56.45. The Debtor shall pay
24 Raul Tellez Leon the full payoff amount for the vehicle at 4% per annum in 48 equal monthly
25 payments commencing on the Effective Date. Class 3 is impaired and is entitled to vote.
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1 default unless and until the Debtor defaults on the New Obligations pursuant to the terms of the
2 Plan. The New Obligations provided for in the Plan shall be in the place of, and completely
3 substitute for, any pre-Confirmation obligations of the Debtor and, once the Plan is confirmed,
4 the only obligations of the Debtor shall be such New Obligations as provided for under the Plan.

5 **4.2 Revesting**

6 Except as provided for in the Plan or in the Confirmation Order, on the Effective Date the
7 Debtor shall be vested with all of the property of the estate free and clear of all claims, liens,
8 charges and other interests of creditors arising prior to the filing date.
9

10 **4.3 Executory Contracts and Unexpired Leases**

11 Upon confirmation of the Plan, all executory contracts of the Debtor will be rejected
12 pursuant to the provisions of §§ 365 and 1123 of the Bankruptcy Code, except for those assumed
13 pursuant to Bankruptcy Court approval. This Plan provision does not alter in any way orders of
14 the Bankruptcy Court approving the assumption of executory contracts and leases. All such
15 orders are reaffirmed without modification and incorporated fully in the Plan so that the Plan is
16 in compliance with those orders.
17

18 **4.4 Modification of The Plan**

19 In addition to its modification rights under Section 1127 of the Bankruptcy Code, the
20 Debtor may amend or modify this Plan at any time prior to Confirmation without leave of the
21 Court. The Debtor may propose amendments and/or modifications of this Plan at any time
22 subsequent to Confirmation with leave of the Court and upon notice to Creditors. After
23 Confirmation of the Plan, the Debtor may, with approval of the Court, as long as it does not
24 materially or adversely affect the interests of Creditors, remedy any defect or omission or
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1 reconcile any inconsistencies of the Plan, or in the Confirmation Order, if any may be necessary
2 to carry out the purposes and intent of this Plan.

3 **4.5 Default**

4 If Debtor is unable to perform the terms and conditions of this Plan, then it will be in
5 default. Any creditor may seek to enforce the Plan. Before doing so, however, a creditor must
6 first provide at least twenty (20) days-notice to Debtor specifying the nature of the alleged defau-
7 lt and providing Debtor a twenty (20) day period to cure such default. Any such notice shall be
8 in writing and sent to Debtor at its address with a copy to: Ronald J. Ellett, 2999 North 44th
9 Street, Suite 330 Phoenix, Arizona 85018.
10

11 **4.6 Retention of Jurisdiction.**

12 Notwithstanding confirmation of this Plan, the Bankruptcy Court shall retain its
13 jurisdiction of this bankruptcy to the full extent allowed by law, including for the following
14 purposes:
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- 16 1. Determination of claims and interests upon objection to such claims by the Debtor or
17 by any other party in interest.
- 18 2. Determination of requests for payment of claims entitled to priority under §507(a)(2)
19 of the Bankruptcy Code, including compensation of parties entitled thereto.
- 20 3. Resolution of controversies and disputes regarding the interpretation or enforcement of
21 the terms of the Plan.
- 22 4. Implementation of the provisions of the Plan and entry of orders in aid of confirmation
23 of the Plan, including, without limitation, appropriate orders to protect the Debtor.
- 24 5. Entry of a Final Decree closing the case.
- 25 6. Entry of a discharge pursuant to 11 U.S.C. §141(d)(5).
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1 **ARTICLE V**

2 **FEASIBILITY OF THE PLAN AND FINANCIAL PROJECTIONS**

3 The Debtor believes that the proposed Plan is feasible and is unlikely to be followed by
4 the liquidation or need for further financial reorganization of the Debtor except as proposed in
5 the Plan.

6 **ARTICLE VI**

7 **LIQUIDATION ANALYSIS**

8
9 The following is a Liquidation Analysis indicating what the Debtor believes creditors
10 would receive in the event of liquidation. The figures for "market value" and "liquidation value"
11 are the Debtor's best estimate on what these assets are worth on a market or liquidation basis.
12 The other assets of the Debtor are listed below:

13

14 Asset	15 Scheduled Value	16 Liquidation Value	17 Secured Claims	18 Net Value After Subtraction of Secured Claims
19 Real Property located at 2828 South Country Club Drive, Mesa, Arizona 85210 and 2816 South Country Club Drive, Mesa, Arizona 85210	20 \$2,850,000.00	21 Same as scheduled	22 \$5,100,000.00 (AZ 3-16's UCC Lien and First Deed of Trust) 23 \$102,848.77 (Maricopa County Treasurer Property taxes on real and personal property for 2015 – estimated 2017) 24 \$550,000.00 (second lien held by Bank 34 - avoiding pursuant to A.R.S. § 1004(A)(2) and 11 U.S.C. § 544(A)(1)(b))	25 \$0.00
26 Cash	27 \$75.00	28 Same as scheduled	AZ 3-16 UCC Lien	\$0.00

1	SunTrust Bank Account	\$10,700.96	Same as scheduled	AZ 3-16 UCC Lien	\$0.00
2	Inventory and Supplies	\$236.09	Same as scheduled	AZ 3-16 UCC Lien	\$0.00
3	Inventory	\$451.09	Same as scheduled	AZ 3-16 UCC Lien	\$0.00
4	Office Furniture	\$0.00	Same as scheduled	AZ 3-16 UCC Lien	\$0.00
5	2016 Chevrolet Trailblazer	\$2,500.00	Current Kelly Blue Book	Secured Lien Ray Garcia's	\$0.00
6	2011 Volkswagen Jetta	\$1,500.00	Current Kelly Blue Book	Secured Lien of Raul Tellez Leon	\$0.00
7	Used Car Wash Equipment	\$3,500.00	Same as scheduled	AZ 3-16 UCC Lien	\$0.00
8	Used Lube Equipment	\$2,500.00	Same as scheduled	AZ 3-16 UCC Lien	\$0.00
9	Interest in Fraudulent Conveyance Action	Unknown	\$0.00	None	\$0.00
10	ADT Security System	\$2,000.00	Same as scheduled	AZ 3-16 UCC Lien	\$0.00
11	Total Non-Exempt Equity				\$0.00
12	Less Chapter 7 Trustee's Fees				\$0.00
13	Total to Unsecured Creditor Under Chapter 7				\$0.00
14	Amount to be Paid to Unsecured Creditors Under Plan – all Allowed Unsecured Claims will be paid in full (estimated)				\$95,535.00

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Creditors should note that on a liquidation basis, full market value for assets cannot be obtained. Further, there are costs associated with a liquidation of assets that must be paid out of any sale proceeds. The liquidation analysis does not contain an estimation of any tax liability which could be associated with the liquidation.

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The Debtor will file an adversary to avoid the transfer of its interest in its Real Property to Bank 34. While the Debtor anticipates successfully avoiding Bank 34's lien against its Real Property, it does not expect to obtain any value by avoiding the pre-petition transfer because AZ 3-16's UCC Lien and Deed of Trust encumber all of the Debtor's assets, leaving no net equity. The Debtor does not hold any claims that are to be brought in non-bankruptcy litigation.

1 This analysis is provided for informational purposes only, given that the Debtor's Plan
2 does not contemplate liquidation in this fashion.

3 **ARTICLE VII**

4 **IMPLEMENTATION AND FUNDING OF DEBTOR'S PLAN**

5 The Plan will be funded by the business operations of the Debtor, rents collected by the
6 Debtor, and contributions totaling \$35,000.00 from Mr. Michael Harris. Mr. Harris's
7 contributions will be made on or before the effective date. If the Debtor deems advisable, they
8 may obtain a further Order from the Court that may be recorded in order to implement the terms
9 of the Plan. Plan will be funded by contributions from the Debtor.
10

11 **ARTICLE VIII**

12 **TAX CONSEQUENCES**

13 The Debtor has not obtained a tax opinion as to the tax consequences of the Plan as to any
14 claim, interest, or creditor. However, payment of indebtedness and discharge of debt may have
15 significant tax consequences for creditors. The creditors are advised to see its tax advisor for
16 information concerning the tax consequences of the Plan.
17

18 **BECAUSE THE DEBTOR EXPRESSES NO TAX OPINION AND GIVES NO**
19 **TAX ADVICE, IN NO EVENT WILL THE DEBTOR OR ITS PROFESSIONAL**
20 **ADVISOR BE LIABLE IF THE TAX CONSEQUENCES OF THE PLAN ARE NOT AS**
21 **ANTICIPATED. CREDITORS MUST LOOK SOLELY TO, AND RELY SOLELY ON,**
22 **THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF THE PLAN.**
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1 **ARTICLE IX**

2 **NON-ALLOWANCE OF PENALTIES AND FINES**

3 No distribution shall be made under this Plan on account of, and no allowed claim,
4 whether secured, unsecured, priority, or administrative, shall include any fine, penalty, exempla-
5 ry or punitive damages, late charges or other monetary charge relating to or arising from any
6 default or breach by Debtor, and any claim on account thereof shall be deemed disallowed
7 whether or not an objection to it is filed.
8

9 **ARTICLE X**

10 **VOTING PROCEDURE**

11 The Plan divides the claims of creditors and of interest-holders into separate classes. All
12 classes of claimants are encouraged to vote; however, only the vote of holders of claims that are
13 impaired by the Plan will have a significant impact upon the confirmation process. Generally,
14 this includes creditors who, under the Plan, will receive less than payment in full of its claims on
15 the Effective Date of the Plan.
16

17 All creditors entitled to vote on the Plan must cast its vote by completing, dating and
18 signing the ballot which has been mailed to them together with the Disclosure Statement. The
19 ballot contains instructions concerning the deadline for submitting the ballot and to what address
20 the ballot should be mailed.
21

22 This Disclosure Statement has been approved by the Bankruptcy Court in accordance
23 with § 1125 of the Bankruptcy Code, and is provided to each person whose claim or interest has
24 been scheduled by the Debtor, or who have filed a proof of claim or interest with respect to the
25 Debtor or its property, each known equity interest holder and other parties-in-interest known to
26 the Debtor. The Disclosure Statement is intended to assist creditors in evaluating the Plan and in
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1 Confirmation of the Plan, the Debtor or the Reorganized Debtors may, with approve of the Court,
2 as long as it does not materially or adversely affect the interests of Creditors, remedy any defect
3 or omission or reconcile any inconsistencies of the Plan, or the Confirmation Order, if any may
4 be necessary to carry out the purposes and intent of its Plan.

5 **ARTICLE XII**

6 **CLOSING THE CASE**

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8 If the Court does not close this case on its own motion, the Debtor will move the Court to
9 close this case once the Plan is deemed substantially consummated. Until substantial
10 consummation, the Debtor will be responsible for filing pre- and post-confirmation reports
11 required by the United States Trustee and paying the quarterly post-confirmation fees of the
12 United States Trustee, in cash, pursuant to 28 U.S .C. §1930. Pursuant to 11 U.S.C. §1129(a)(12),
13 all fees payable under Section 1930 of Title 28, as determined by the Court at the hearing on
14 confirmation of the Plan, will be paid, in cash, on the Effective Date.
15

16 **ARTICLE XIII**

17 **DISCLAIMER**

18 Court approval of this Disclosure Statement and the accompanying Plan of
19 Reorganization, including exhibits, is not a certification of the accuracy of the contents thereof.
20 Furthermore, Court approval of these documents does not constitute the Court's opinion as to
21 whether the Plan should be approved and disapproved.
22

23 **ARTICLE XIV**

24 **RISKS**

25 The risk of the Plan lies essentially with the Debtor's ability to make the Plan payments.
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1 **ARTICLE XV**

2 **RECOMMENDATION OF THE DEBTORS-IN-POSSESSION**

3 The Debtor recommends that all creditors entitled to vote for the Plan do so. The
4 alternatives to confirmation of the Plan would be either conversion of this case to a case under
5 Chapter 7 of the Bankruptcy Code or its dismissal.
6

7 Conversion will result in the appointment of a Chapter 7 trustee and, most likely, the
8 hiring of an attorney by the trustee. Expenses incurred in administering the Chapter 7 case will
9 take priority in the right to payment over allowed, administrative expenses incurred in the
10 Chapter 11 case. Both Chapter 7 and Chapter 11 administrative expenses take priority over the
11 payment of unsecured claims without priority. In other words, conversion would likely decrease
12 the net amount available to pay currently existing creditors. Further, a Chapter 7 proceeding
13 would not provide the Debtor with the means to pay its Priority claims over time.
14

15 In addition, conversion could substantially delay any distribution to creditors beyond the
16 time period for distribution defined in the Plan. A Chapter 7 trustee is not limited to specific
17 deadlines for closing a case and distributing assets to creditors. It is not unusual for distributions
18 in Chapter 7 cases to be delayed for years. Moreover, the return on the assets of the Estate a
19 trustee is likely to obtain through a standard Chapter 7 liquidation could be less than the return
20 the Plan will generate.
21

22 Dismissal of this case would leave all creditors holding unsecured claims in the position
23 of having to institute legal proceedings to collect the debts. Outside the context of a bankruptcy
24 case, the first creditor to collect may collect all non-exempt property, leaving nothing to be paid
25 to remaining creditors. In addition, dismissal of this case would open the door for the Debtor to
26 file a new bankruptcy case, which could further delay or reduce funds available to pay creditors.
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1 For all these reasons, the Debtor urge you to vote to accept the Plan and to return your
2 ballot in time to be counted.

3 **NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE PLAN ARE**
4 **AUTHORIZED OTHER THAN THOSE STATED HEREIN. YOU SHOULD NOT RELY**
5 **ON ANY REPRESENTATIONS OR INDUCEMENTS CONCERNING THE PLAN**
6 **OTHER THAN THOSE CONTAINED IN THIS DISCLOSURE STATEMENT.**

7 **THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE**
8 **STATEMENT DOES NOT CONSTITUTE A CERTIFICATION OR RULING BY THE**
9 **COURT REGARDING THE COMPLETENESS OR ACCURACY OF ANY**
10 **STATEMENTS CONTAINED HEREIN.**

11 **AN ACCOUNTANT HAS NOT REVIEWED THE INFORMATION CONTAINED**
12 **IN THIS DISCLOSURE STATEMENT OR ITS EXHIBITS. THE DEBTORS CANNOT**
13 **WARRANT OR REPRESENT THAT THE INFORMATION IS WITHOUT ANY**
14 **ERROR. HOWEVER, THE INFORMATION IS ACCURATE TO THE BEST OF THEIR**
15 **KNOWLEDGE AND BELIEF.**

16 This Disclosure Statement is not the Plan. This Disclosure Statement, together with the
17 Plan (Exhibit 1), should be read in its entirety before you vote on the Plan. The Plan is
18 summarized in this Disclosure Statement, but the Plan is controlling.

19 **RESPECTFULLY SUBMITTED** this 31st day of August, 2017.

20 **ELLETT LAW OFFICES, P.C.**

21 */s/ Ronald J. Ellett*

22 Ronald J. Ellett

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