

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

IN RE:)
J.T.P. CORP.) Case No. 16-15232-MER
EIN: 45-5245686)
Debtor.) Chapter 11

**DISCLOSURE STATEMENT TO ACCOMPANY AMENDED PLAN OF
REORGANIZATION DATED FEBRUARY 28, 2017**

This Disclosure Statement (“Disclosure Statement”) has been prepared by Debtor J.T.P. Corp. (“Debtor”), Debtor and Debtor-in-Possession, to accompany its Amended Plan of Reorganization dated February 28, 2017 (“Plan”). This Disclosure Statement is being provided to all creditors and Interest holders of the Debtor. This Disclosure Statement is subject to final approval pursuant to 11 U.S.C. § 1125 by the United States Bankruptcy Court for the District of Colorado as containing adequate information to enable creditors and Interest holders to determine whether to accept the Plan. The Court's approval of this Disclosure Statement does not constitute a decision on the merits of the Plan. Issues relating to the merits of the Plan and its confirmation will be the subject of a confirmation hearing scheduled for _____, at _____, at the U.S. Custom House, 721 19th Street, Courtroom C, Denver, Colorado 80202.

THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION HAS SIMILARLY NOT REVIEWED THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT.

This Disclosure Statement is provided to you along with a copy of the Plan and a Ballot to be used for voting on the Plan. Please complete the Ballot according to the instructions contained on the Ballot if you intend to vote for or against the Plan. Each Creditor or Interest holder may vote on the Plan by completing the enclosed Ballot and returning it to counsel for the Debtor at the address set forth below:

Robert J. Shilliday III, Esq.
Vorndran Shilliday, P.C.
1888 Sherman Street, Suite 760
Denver, CO 80203

This Ballot must be received by Vorndran Shilliday, P.C. no later than _____, which date has been set by the Court as the last day to vote on the Plan. Terms contained in this Disclosure Statement, which are defined in the Plan, have the same meaning as set forth in the definitional section of the Plan, Article II.

Recommendation. Debtor believes the Plan represents the best alternative for providing the maximum value for creditors. **Again, the Debtor strongly believes confirmation of the Plan is in the best interests of creditors and recommends all creditors entitled to vote on the Plan vote to accept the Plan.**

Voting Requirements. Pursuant to the Bankruptcy Code, only Classes of Claims or Interests that are “impaired” under the Plan are entitled to vote to accept or reject the Plan. Classes of Claims and Interests that are not impaired are not entitled to vote and are deemed to have accepted the Plan. Voting on the Plan shall be pursuant to the provisions of the Bankruptcy Code and the Bankruptcy Rules, and a Class shall have accepted the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Allowed Claims of such Class actually voting.

Voting Classes. Holders of valid Class 5 Claims, if any, shall be entitled to vote to accept or reject the Plan. Class 1 Priority Claims and the Class 4 Claims held by the Jefferson County Treasurer are not impaired by the Plan and are not entitled to vote to accept or reject the Plan. The Class 2 and 3 Claims held by Bluebird Mortgage Cop. (“BMC”) and ODS Financing, LLC (“ODS”) have been withdrawn and paid in full, as described more fully below. The Class 6 Interests held by Douglas W. Walters (“Walters”) and Ann Russo (“Russo”) shall retain their Interests in the Debtor following confirmation of the Plan.

Deemed Acceptance of Plan. Unimpaired classes are conclusively presumed to have accepted the Plan pursuant to 11 U.S.C. § 1126(f) of the Bankruptcy Code. Class 1 Priority Claims are unimpaired and are deemed to have accepted the Plan. The Class 2 and Class 3 Claims held by BMC and ODS have been paid in full pursuant to Settlement Agreements approved by the Court as described below. The Class 4 Claims held by the Jefferson County Treasurer are unimpaired in that the Treasurer shall receive on account of its Claim equal monthly installment payments in cash plus statutory interest under applicable Colorado law in full satisfaction of the Treasurer’s Claim in the amount of \$52,122.80 over five (5) years from the Petition Date pursuant to 11 U.S.C. § 1129(a)(9)(C).

Deemed Rejection of Plan. Classes that receive and retain nothing under the Plan are deemed to reject the Plan pursuant to 11 U.S.C. § 1126(g) of the Bankruptcy Code. No Classes will receive and retain nothing under the Plan.

One Vote Per Holder. If a holder of a Claim holds more than one Claim in any one Class, all Claims of such holder in such Class shall be aggregated and deemed to be one Claim for purposes of determining the number of Claims voting for or against the Plan.

II. CHAPTER 11 AND PLAN CONFIRMATION

Chapter 11 of the United States Bankruptcy Code is designed to allow for the rehabilitation and reorganization of financially troubled entities or individuals. Chapter 11 allows the Debtor to retain its assets during administration of the Chapter 11 case as Debtor-in-Possession and, following confirmation of a Plan, as a reorganized Debtor as provided in the Plan. Once confirmation of a Plan

of Reorganization is approved by the Court, the Plan is the permanent restructuring of the Debtor's financial obligations. The Plan also provides a means through which the Debtor will restructure or repay its obligations. The Plan will provide Debtor with an opportunity to sell the Properties in the ordinary course of business and satisfy its debts as restructured under the Plan.

The Plan of Reorganization divides creditors into Classes of similarly situated creditors. All creditors of the same Class are treated in a similar fashion. All Interests are also classified and treated alike. Six (6) Classes of creditors or Interest holders are either impaired or unimpaired under the Plan. A Class is unimpaired if the Plan leaves unaltered the legal, equitable, and contractual rights to which each creditor in the Class is entitled. Alternatively, a claimant is unimpaired if the Plan provides for the cure of a default and reinstatement of the maturity date of the claim as it existed prior to the default.

The Bankruptcy Court has set December 18, 2016 as the bar date establishing the last date for filing Proofs of Claim. The Plan provides that Claims and Interests of all Classes shall be allowed only if evidenced by a timely-filed Proof of Claim or Interest or which otherwise appear in the Schedules filed by the Debtor and are not scheduled as disputed, contingent, or unliquidated, unless subsequently allowed by the Court. Creditors may ascertain whether their claims have been scheduled as disputed, contingent, or unliquidated by reviewing the Schedules and the amendments thereto filed by the Debtor in the Bankruptcy Court for the District of Colorado. Alternatively, creditors may contact the Debtor or their counsel to determine how they have been scheduled.

Chapter 11 does not require each holder of a Claim or Interest vote in favor of the Plan in order for the Court to confirm the Plan. The Plan, however, must be accepted by at least one impaired Class of Claims by a majority in number and two-thirds in amount, without including insider acceptance, of those Claims of such Class actually voting on the Plan. Assuming one impaired Class votes to accept the Plan, it may be confirmed over its rejection by other Classes if the Court finds that the Plan does not discriminate unfairly and is fair and equitable, with respect to each Class of Claims or Interests that is impaired under and has not accepted the Plan. Since the Debtor believes that the Plan provides the best alternative for creditors, all creditors are urged to vote to accept the Plan.

Under the Bankruptcy Code, if Interest holders retain an Interest or receive anything under the Plan, the unsecured creditor Classes must either be paid the full value of their claims or vote to accept the Plan. Since the Plan allows Interest holders to retain their Interests, the Plan can be confirmed only if unsecured creditors vote to accept the Plan or have been paid in full.

If all Classes of Claims and Interests vote to accept the Plan, the Court may confirm the Plan. 11 U.S.C. § 1129 sets forth the requirements for confirmation. Among other things, Section 1129 requires the Plan be in the best interest of the holders of Claims and Interests and be feasible through a showing that confirmation will not be followed by the need for further financial reorganization of the Debtor.

III. OVERVIEW OF THE PLAN AND MEANS OF EXECUTION

The Plan provides for reorganization of Debtor's obligations under Chapter 11 of the Bankruptcy Code. The Plan divides creditors and Interest holders into six (6) Classes. Each Class is treated as either impaired or unimpaired under the Bankruptcy Code. Treatment of the Classes is discussed in greater detail below and in the Plan. Class 1 priority claims shall be paid in full on the Effective Date of the Plan. Classes 2 and 3 Claims held by BMC and ODS have been paid in full pursuant to Settlement Agreements approved by the Bankruptcy Court. The Class 4 Secured Claim held by the Jefferson County Treasurer shall be paid in full in equal monthly installments over five (5) years from the Petition Date plus statutory interest pursuant to 11 U.S.C. § 1129(a)(9)(C). The Bankruptcy Court approved a Settlement Agreement with unsecured creditors Kurt Hopwood ("Hopwood") on February 21, 2017 and Hopwood's claim has been paid in full. Debtor filed a Motion to Approve its Settlement Agreement with Kenneth R. Webb and Kathryn M. Rollins to satisfy in full the Claims of Webb and Rollins for a total payment of \$5,000. The Settlement Agreement with Webb and Rollins is pending Court approval. Debtor filed a Motion to Disallow Claim No. 5 filed by Jonathan Carlson on February 27, 2017 on the ground the obligations claimed by Carlson were incurred by Walters and not by Debtor. Debtor's motion to disallow claim 5 filed by Carlson is pending before the Bankruptcy Court. Class 5 Claims therefore have been paid in full or will be resolved through the claim objection process. The Class 6 Interests are unimpaired and will be retained by Walters and Russo as set forth in the Plan.

IV. BACKGROUND AND EVENTS LEADING TO CHAPTER 11 FILING

Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on May 25, 2016 ("Petition Date"). Debtor is in the business of acquiring, improving, and selling or "flipping" primarily residential real property in the Denver metropolitan area. Walters and Russo are the sole officers and shareholders of the Debtor.

Debtor acquired prior to the Petition Date certain real property located at 2660 King Street, Denver, Colorado 80211 ("King Street Property" or "Property"). The Property was encumbered by a first-priority pre-petition deed of trust in favor of BMC. BMC commenced foreclosure proceedings against the King Street Property claiming Debtor breached an underlying note and deed of trust against the Property, forcing Debtor to seek relief under Chapter 11 of the Bankruptcy Code.

Debtor disputed the amount of the obligation owed to BMC. On August 23, 2016, this Court entered an Order ("Sale Order") authorizing Debtor to sell the King Street Property for \$850,000 pursuant to 11 U.S.C. § 363. Debtor paid BMC \$541,284.31 on September 2, 2016 from the King Street sale proceeds. As ordered by the Court, the remaining proceeds in the amount of \$244,700.03 ("Sale Proceeds") were deposited into the COLTAF Account of Vorndran Shilliday, P.C. The Sale Proceeds constitute substantially all the remaining assets of the Debtor. BMC held a first-priority post-petition lien against the Sale Proceeds pursuant to the Sale Order. ODS held a second-priority lien against the Sale Proceeds.

Debtor commenced an Adversary Proceeding on November 2, 2016 to determine the validity, priority, and amount of the BMC lien encumbering the Sale Proceeds. *See JTP Corp. v. Bluebird Mortgage Corporation*, Adv. Proc. No. 16-1480-MER (“Adversary Proceeding”). Debtor alleged it is entitled to retain in full the Sale Proceeds and overpaid BMC in excess of \$91,000 in connection with sale of the King Street Property. The Court approved a Settlement Agreement between Debtor and BMC on January 24, 2017 [Adv. Docket No. 22] and Debtor paid BMC \$122,350 on January 26, 2017 pursuant to said Agreement. BMC withdrew its Proof of Claim and released its secured lien against the Sale Proceeds pursuant to the Settlement Agreement.

Debtor subsequently executed a Settlement Agreement with ODS, whereby Debtor agreed to pay ODS \$15,000 in exchange for withdrawal of ODS’ \$36,450 Proof of Claim and release of its secured lien against the Sale Proceeds. The Court approved the Settlement Agreement with ODS on February 17, 2017 [Doc. No. 117] and Debtor paid ODS \$15,000 pursuant to said Agreement on February 24, 2017.

Debtor also executed a Settlement Agreement with unsecured creditor Kurt Hopwood (“Hopwood”) to resolve the Claim filed by Hopwood in the amount of \$36,547.95 for \$5,000. The Court approved the Settlement Agreement with Hopwood pursuant to an Order entered on February 19, 2017 [Doc. No. 119] and Debtor paid Hopwood \$5,000 pursuant to the Settlement Agreement on February 24, 2017.

On February 24, 2017, Debtor executed a Settlement Agreement with unsecured creditors Kenneth Webb (“Webb”) and Kathryn Rollins (“Rollins”) whereby Debtor agreed to make a one-time payment to Webb and Rollins in the total amount of \$5,000 (\$2,500 each to Webb and Rollins) in full satisfaction of Claims held by these Creditors in excess of \$157,000. Webb and Rollins are husband and wife and are the sole members of Harbour Bridge LLC (“Harbour Bride”) and Raising Sands LLC (“Raising Sands”). Debtor’s Schedules list claims held by Harbour Bridge and Raising Sands whose membership interests are held solely by Webb and Rollins. Debtor filed a Motion to approve its Settlement Agreement with Webb and Rollins on February 27, 2017 and expects said Agreement to be approved.

Debtor filed a Motion on February 27, 2017 objecting to and to disallow Claim No. 5 in the amount of \$11,570 filed by Jonathan Carlson (“Carlson”) on the ground the alleged debt was incurred by Walters individually and not by Debtor. Debtor anticipates the Court will sustain this Objection and disallow Carlson’s claim. Debtor therefore believes all Class 5 Claimants holding unsecured claims against Debtor’s Chapter 11 bankruptcy estate have been satisfied in full or will be disallowed by the Bankruptcy Court.

Debtor will satisfy the only remaining Secured Tax Claims held by the Jefferson County Treasurer through equal monthly installment payments plus statutory interest as prescribed under Colorado law over five (5) years pursuant to 11 U.S.C. § 1129(a)(9)(C). The Tax Claims held by the Jefferson County Treasurer arise from unpaid personal and real property taxes relating to certain real property located at 1430 Carr Street in Lakewood, Colorado (“Carr Street Property”) where Debtor maintained its principal place of business. Debtor transferred the Carr Street Property during 2016

and no longer holds an interest in the Property. In addition to the \$52,122.80 Tax Claim held by the Jefferson County Treasurer, secured liens encumber the Carr Street Property in an amount exceeding the value of the Property.

V. DESCRIPTION OF ASSETS

A. Summary of Debtor's Assets

Sale Proceeds. Debtor's primary asset consists of the Sale Proceeds maintained in the Vorndran Shilliday, P.C. Trust Account. Deducting the settlement payments made to BMC, ODS, Hopwood, Webb, and Rollins, Debtor currently retains approximately \$97,350.03 to satisfy unpaid attorney fees and costs, pay the Section 364 Claims held by Russo and Walters as described below, and pay any remaining unsecured claims. Any remaining proceeds will be used post-confirmation to fund new projects and pay the Allowed Class 4 Tax Claim held by the Jefferson County Treasurer.

Avoidance Actions: The Bankruptcy Court approved Debtor's Settlement Agreement with BMC on January 24, 2017, thereby allowing Debtor to retain \$122,350 of the Sale Proceeds. BMC claimed it could retain the entire \$244,700 in Sale Proceeds based upon its first-priority Deed of Trust encumbering the King Street Property. Settlement of the Adversary Proceeding allowed Debtor to retain \$122,350 for the benefit of creditors and Debtor's Chapter 11 bankruptcy estate.

VII. DESCRIPTION OF LIABILITIES

A. Priority Claims

Priority Claims. Priority Claims are defined in the Plan as any pre-petition Claim entitled to a priority payment under 11 U.S.C. § 507(a), excluding any Administrative Claim or Tax Claim.

Administrative Claims. Administrative Claims are those Claims for payment of an administrative expense of a kind specified in §503(b) or §1114(e)(2) of the Bankruptcy Code and entitled to priority pursuant to §507(a)(2) of the Bankruptcy Code, including, but not limited to: (a) the actual, necessary costs and expenses, incurred after the Petition Date, of preserving the Estate and operating the businesses of the Debtor, including wages, salaries, or commissions for services rendered after the commencement of the Chapter 11 Case; (b) Professional Fee Claims; (c) all fees and charges assessed against the estate under 28 U.S.C. §1930; and (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under §546(c)(2)(A) of the Bankruptcy Code. Debtor anticipates the following Administrative Claims:

Professional Fees. The Debtor retained Robert J. Shilliday III and Vorndran Shilliday, P.C. ("Bankruptcy Counsel") as their bankruptcy counsel. The Court approved Debtor's application to employ Bankruptcy Counsel on June 17, 2016. As of January 31, 2017, Bankruptcy Counsel incurred unpaid fees and costs arising from these Chapter 11 proceedings in the amount of

\$10,880.13. Bankruptcy Counsel separately incurred unpaid fees in the amount of \$9,192.93 to successfully prosecute and settle the Adversary Proceeding with BMC. Total fees and costs billed by Bankruptcy Counsel in the Chapter 11 proceedings are \$29,513.03. Total fees and costs billed by Bankruptcy Counsel in the Adversary Proceeding is \$9,192.93. Debtor paid \$18,632.90 to Bankruptcy Counsel as of January 31, 2017. Debtor anticipates unpaid attorney fees and costs incurred by Bankruptcy Counsel through confirmation of Debtor's Chapter 11 Plan will not Exceed \$25,000.

Section 364(b) Post-Petition Claims. On February 3, 2017, the Bankruptcy Court entered an Order approving Debtor's motion to allow payment of post-petition expenses incurred by Walters and Russo to complete and sell the King Street Property under Section 364(b) and Section 503(b)(1) of the Bankruptcy Code [Doc. No. 108]. These Administrative Claims are estimated to be at least \$75,000. Walters and Russo will file proofs of claims asserting such administrative priority as approved by the Court within thirty (30) days following confirmation of Debtor's Plan.

Tax Claims. Tax Claims are any Claim of a governmental unit for taxes entitled to priority pursuant to 11 U.S.C. § 507(a)(8). The Jefferson County Treasurer filed Claim No. 3 on July 5, 2016 in the amount of \$52,122.80 arising from unpaid personal property and real property taxes relating to the Carr Street Property for tax years 2013-2015 and estimated 2016 taxes. Debtor shall pay the Class 4 Tax Claims held by the Jefferson County Treasurer in equal monthly installment payments over five (5) years from the Petition Date plus statutory interest as mandated under applicable Colorado law pursuant to 11 U.S.C. § 1129(a)(9)(C) until such Tax Claim is paid in full.

The City and County of Denver filed Proof of Claim No. 1 on June 3, 2016 in the amount of \$6,878.51 relating to unpaid real property taxes for the King Street Property. The Tax Claim held by the City and County of Denver was paid in full on September 2, 2016 in connection with sale of the King Street Property as approved by the Court. Claim 1 filed by the City and County of Denver therefore has been paid in full and is not addressed under Debtor's Chapter 11 Plan.

Employee Claims. Pursuant to 11 U.S.C. § 507(a)(4), wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,950 per employee earned within 180 days prior to the Petition Date are entitled to priority. The Debtor does not have any employees and do not anticipate any employee Claims.

B. Secured Claims

Bluebird Mortgage Corp. BMC held a first-priority secured claim against the \$244,700.03 in Sale Proceeds pursuant to the Sale Order. Debtor paid BMC \$122,350 in full satisfaction of BMC's Claim. BMC withdrew its Proof of Claim and its first-priority lien against the Sale Proceeds has been satisfied in full pursuant to Debtor's Settlement Agreement with BMC.

ODS Financing, LLC. ODS held a second-priority secured claim against the \$244,700.03 in Sale Proceeds pursuant to the Sale Order. Debtor paid ODS \$15,000 in full satisfaction of ODS' Class 3 Claim against Debtor's Chapter 11 bankruptcy estate and pursuant to the Court's Order approving the Settlement Agreement between Debtor and ODS. ODS will withdraw its Proof of claim pursuant to the Settlement Agreement.

Jefferson County Treasurer. The Jefferson County Treasurer filed Proof of Claim No. 3 on July 5, 2016 claiming a Secured Tax Claim in the amount of \$52,122.80 arising from unpaid personal property and real property taxes relating to the Carr Street Property formerly owned by Debtor. Debtor will pay the Class 4 Claim held by the Jefferson County Treasurer in equal monthly installment payments over five (5) years from the Petition Date as allowed under 11 U.S.C. § 1129(a)(9)(C), plus statutory interest under Colorado law, until such Class 4 Secured Tax Claim is paid in full. The County's Tax Liens will continue to encumber the Carr Street Property until such Tax Claims are paid in full.

C. Non-Priority Unsecured Claims. Debtor has paid all Class 5 Claims held by unsecured creditors other than the Claim held by Carlson, which Debtor objects to as set forth above. Debtor's Schedules list only four unsecured creditors: Franz Investments LLC, Harbour Bridge LLC, Raising Sands, LLC, and Jonathon Carlson. Hopwood is the sole member of Franz Investments LLC, and as set forth above, Webb and Rollins are the sole members of Harbour Bridge LLC and Raising Sands LLC. Debtor executed Settlement Agreements with Hopwood, Webb, and Rollins to pay in full the Claims held by these unsecured creditors. Debtor objected to the Claim filed by Carlson on the ground the obligation owed to Carlson was incurred by Walters individually and not by Debtor. Debtor's motion to disallow Carlson's Claim is pending before the Court.

VIII. DESCRIPTION OF THE PLAN

A. General Description

The Debtor filed its Amended Plan of Reorganization with the United States Bankruptcy Court for the District of Colorado on February 28, 2017. The Plan incorporates the Settlement Agreements with BMC and ODS pursuant to which the Class 2 and Class 3 Claims held by these Creditors have been paid in full and the secured liens held by BMC and ODS against the Sale Proceeds released. Class 5 claims have been paid in full pursuant to Settlement Agreements filed with the Court other than the Claim filed by Carlson, which Debtor filed a motion to disallow. Carlson's Claim to the extent allowed by the Bankruptcy Court will be paid from the remaining Sale Proceeds. The Class 4 Claims held by the Jefferson County Treasurer will be paid in full pursuant to 11 U.S.C. § 1129(a)(9)(C) plus statutory interest under Colorado law through equal monthly installments over five (5) years from the Petition Date. The Class 4 Claims held by the Jefferson County Treasurer are therefore unimpaired. The Jefferson County Treasurer shall retain its secured liens against the Carr Street Property until the Class 4 Claims are paid in full. The Class 6 Interests shall be retained by Walters and Russo. Debtor shall remain in business and continue to acquire, improve, and sell primarily residential real property.

The Plan provides for the specification and treatment of all creditors and Interest holders of the Debtor. The Plan identifies whether each Class is impaired or unimpaired. A Class is unimpaired only if the Plan leaves unaltered the legal, equitable, or contractual obligations between the Debtor and the unimpaired claimants or Interest holders. The following is a brief summary of the Plan. The actual text of the Plan should be reviewed for more specific detail. In the event of any conflict between the Plan and this Disclosure Statement, the terms of the Plan govern.

As provided in 11 U.S.C. § 1123(a)(1) of the Bankruptcy Code, the Priority, Administrative, and Tax Claims against the Debtor are not designated as Classes. The holders of such Allowed Claims are not entitled to vote on the Plan and such claims will be paid in full on the Effective Date of the Plan.

The Plan divides the creditors into separate Classes. The Classes are set forth as follows:
Class 1- All Allowed Unsecured Claims specified in Section 507(a)(4) or 507(a)(5) of the Code as having priority.

Class 2- The Allowed Secured Claim held by BMC.

Class 3- The Allowed Secured Claim held by ODS.

Class 4- The Allowed Secured Claims held by the Jefferson County Treasurer.

Class 5- The Allowed Claims held by general unsecured creditors.

Class 6- The Allowed Interests held by Walters and Russo.

B. Claims

1. Unclassified Priority Claims

Administrative Claims. The holders of Allowed Claims of the type specified in Section 507(a)(2) of the Code, costs and expenses of administration, shall receive cash equal to the allowed amount of such Claim or a lesser amount or different treatment as may be acceptable and agreed to by particular holders of such Claims. Such Claims shall be paid in full on the Effective Date of the Plan, or treated as otherwise agreed by the particular holders of such Claims. Administrative Claims that are allowed by the Court after the Effective Date of the Plan shall be paid upon allowance. The Debtor expects the following creditors will hold Claims which constitute unpaid cost and expense of administration claims as of the Confirmation Date of the Plan: Vorndran Shilliday, P.C. anticipates incurring total unpaid fees and costs in the amount of \$25,000 through confirmation of Debtor's Chapter 11 Plan. The Court entered an Order on February 3, 2017 granting Debtor's motion to allow post-petition expenses incurred by Walters and Russo on behalf of the Debtor to be allowed as priority administrative claims under Sections 264(b) and Section 503(b) of the Bankruptcy Code. Debtor believes these priority claims incurred by Walters and Russo are approximately \$75,000.

The amount of legal fees payable to the Debtor's Bankruptcy Counsel may substantially increase depending on the levels of future activity in these Chapter 11 proceedings. All Administrative Claims of professionals are subject to Court approval on notice to creditors with an opportunity for a hearing. Certain professional fees may be paid pursuant to interim fee applications and upon Court allowance. The fees set forth above are the total fees expected in the case as of the estimated Confirmation Date of the Plan, assuming minimal litigation over the Plan.

Tax Claims. Tax Claims are any Claim of a governmental unit for taxes entitled to priority pursuant to 11 U.S.C. §507(a)(8). Debtor shall treat and pay the Class 4 Secured Claim held by the Jefferson County Treasurer as set forth below. The Claim filed by the City and County of Denver relating to unpaid real property taxes for the King Street Property were paid in full on September 2, 2017 in connection with sale and closing of the King Street Property and the Sale Order.

United States Trustee Fees. The Debtor will make all payments required to be paid to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) until the case is closed, converted, or dismissed. All payments due to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) shall be paid on the Effective Date, and the U.S. Trustee shall thereafter be paid fees due on a quarterly basis until the case is closed, converted, or dismissed. The Debtor's obligation to file post-confirmation quarterly reports pursuant to 28 U.S.C. § 1930(a)(7) continues until the Chapter 11 case is dismissed, converted, or closed. Since it is expected the case will be closed and a Final Decree entered shortly after the Effective Date, it is not expected that the fees will be a material post-petition obligation. Post-confirmation payments due to the United States Trustee are estimated to be less than \$325 per quarter. Additional payments in connection with the sale of real estate assets will be paid from the proceeds of the sale of such assets. The Debtor will be responsible for preparing and filing post-confirmation quarterly reports.

2. Classified Priority Claims

Class 1, Priority Claims. The Allowed Class 1 Priority Claims, if any, shall be paid in full on the Effective Date of the Plan. The Class 1 Claims for certain pre-petition wages and employee claims are more particularly described in 11 U.S.C. §§ 507(a)(3), 507(a)(4), and 507(a)(5). The Debtor will not have any Claims in this category.

3. Secured Claims

Bluebird Mortgage Corp. BMC's Class 2 Claim has been paid in full in the amount of \$122,350 pursuant to the Settlement Agreement between Debtor and BMC approved by the Court.

ODS Financing, LLC. ODS' Class 3 Claim has been paid in full in the amount of \$15,000 pursuant to the Settlement Agreement between Debtor and ODS approved by the Court.

Jefferson County Treasurer. The Class 4 Claims held by the Jefferson County Treasurer will be paid in full pursuant to 11 U.S.C. § 1129(a)(9)(C) plus statutory interest under Colorado law through equal monthly installments over five (5) years from the Petition Date. The Class 4 Claims held by the Jefferson County Treasurer are therefore unimpaired. The Jefferson County Treasurer shall retain its secured liens against the Carr Street Property until the Class 4 Claims are paid in full.

4. General Unsecured Class 5 Claims. Debtor paid \$5,000 to Hopwood pursuant to the Settlement Agreement between Debtor and Hopwood approved by the Court. Debtor has agreed to pay unsecured creditors Webb and Rollins a total of \$5,000 from the Sale Proceeds on account of their Class 5 Claims. Approval of the Settlement Agreement with these Class 5 Creditors is pending before the Court. Debtor filed a motion to disallow the Claim filed by Carlson but will pay said Claim in full to the extent allowed by the Bankruptcy Court or otherwise agreed between the Parties.

5. Class 6, Interests. Class 6 includes the Interests held by Walters and Russo, who shall retain their Interests in Debtor following confirmation of Debtor's Plan and as allowed under applicable bankruptcy law.

B. Means for Execution of the Plan

The Debtor shall be empowered to take such action as may be necessary to perform its obligations under the Plan. On the Effective Date of the Plan, Ann Russo shall be appointed pursuant to 11 U.S.C. §1142(b) for the purpose of carrying out the terms of the Plan and may take all actions deemed necessary to consummate the terms of the Plan. Debtor retained \$122,350 from the Sale Proceeds pursuant to the Settlement Agreement with BMC. Debtor used these proceeds to satisfy ODS' Secured Claim in full and pay in full the class 5 Claims held by Hopwood, Webb, and Rollins. All Class 5 Claims other than the unsecured claim held by Carlson have been paid in full. To the extent the Court allows some or all of Carlson's Claim, Debtor will pay said Claim from the remaining Sale Proceeds. Debtor shall pay the Class 4 Claim held by the Jefferson County Treasurer in full pursuant to 11 U.S.C. § 1129(a)(9)(C) in equal monthly installments over five (5) years from the Petition Date plus statutory interest. Debtor will continue to acquire, improve, and sell residential real property to satisfy the Class 4 Claim in full. The remaining Sale Proceeds will provide Debtor the means to pay all remaining Claims and continue to operate as a successful business in its community.

C. Administrative Claims Bar Date.

If the Plan is confirmed, all applications for allowance and payment of Administrative Claims, including Professional Fees, must be filed within thirty (30) days following the Effective Date of the Plan, unless additional time is timely requested.

IX. PLAN FEASIBILITY

Commencement of the Adversary Proceeding and aggressive pursuit of its claims against BMC allowed Debtor to retain \$122,350 in Sale Proceeds. Debtor used these Sale Proceeds to settle the Class 3 Claim held by ODS and Class 5 Claims held by unsecured creditors other than the Claim held by Carlson, which Debtor filed a motion to disallow. Debtor now can continue operations and meet its ongoing obligations, including payment of the Class 4 Secured Claims held by the Jefferson County Treasurer.

X. RISK TO CREDITORS

This Disclosure Statement contains statements which look into the future. There is no way to determine the accuracy of these statements. Debtor has used its best efforts based upon all the information available to it in determining the likelihood for a successful reorganization. The Debtor has attempted to be conservative in its analysis. Depending on the market, the actual value of the Property may increase or decrease. The Debtor believes the Plan as proposed offers the best option for creditors. As explained below in greater detail, the principal alternative to the Debtor's reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. As indicated in the Debtor's liquidation analysis, liquidation of the Debtor may result in a distribution to creditors less than that proposed by the Plan. As set forth above, the principal risk to creditors is that Debtor will not succeed in its claims against BMC in the Adversary Proceeding. However, BMC will claim for itself the Sale Proceeds and all remaining estate assets unless Debtor pursues its claims against BMC. Creditors will therefore benefit by Debtor's pursuit of these claims against BMC through the Plan.

XI. EVENT OF DEFAULT

The Plan, upon confirmation, constitutes a new contractual relationship by and between the Debtor and its creditors. In the event of a default by the Debtor under the Plan, secured creditors shall be entitled to enforce all rights and remedies against the Debtor for breach of contract. Any secured creditor claiming a breach of the Plan by the Debtor will be able to enforce all of their rights and remedies including foreclosure of their deed of trust, security agreement, lien, or mortgage pursuant to the terms of such documents. Any creditor claiming a breach by the Debtor must provide written notice to the Debtor of the claimed default. The Notice must provide the Debtor a fifteen-day period within which to cure the claimed default. Upon the Debtor's failure to cure the default within such fifteen-day period, the creditor may proceed to exercise their rights and remedies.

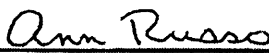
XII. TAX CONSEQUENCE

The Debtor is not providing tax advice to creditors or interest holders. **U.S. Treasury Regulations require you to be informed that, to the extent this section includes any tax advice, it is not intended or written by the Debtor or their counsel to be used, and cannot be used, for the purpose of avoiding federal tax penalties.** Each party affected by the Plan should consult its own tax advisor for information as to the tax consequences of Plan confirmation. Generally, unsecured creditors should have no tax impact as a result of Plan confirmation. The recovery of each creditor is payment on account of a debt and generally not taxable, unless the creditor wrote off the debt against income in a prior year in which case income may have to be recognized. Interest holders may have very complicated tax effects as a result of Plan confirmation.

XIII. LIQUIDATION ANALYSIS UNDER CHAPTER 7

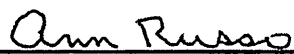
The principal alternative to the Debtor's reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. Chapter 7 requires the liquidation of the Debtor's assets by a Trustee who is appointed by the United States Trustee's Office. In a Chapter 7 case, the Debtor would cease all operations and the Chapter 7 Trustee would take control of the Debtor's assets. The assets would be liquidated and the proceeds distributed to creditors in the order of their priorities. Only the Class 4 Secured Claims held by the Jefferson County Treasurer and the disputed Class 5 Claim held by Carlson remain. The Jefferson County Treasurer retains its secured tax lien against the Carr Street Property, which is not property of Debtor's Chapter 11 estate. The Treasurer will be paid in full regardless of conversion to Chapter 7 through foreclosing its secured tax lien against the Carr Street Property. Debtor's Chapter 11 Plan offers a greater return on the Treasurer's Claim through installment payments together with applicable statutory interest as allowed under Section 1129(a)(9)(C) of the Bankruptcy Code. Similarly, Carlson will be paid in full on his allowed Class 5 Claim from the remaining Sale Proceeds regardless of whether the case remains in Chapter 11 or is converted to Chapter 7. Debtor's Chapter 11 Plan, however, allows these creditors to be paid in full on their Allowed Claims and enables the Debtor to remain a viable business. Conversion to Chapter 7 therefore will not yield a greater return for the remaining Claims.

DATED: February 28, 2017



J.T.P. Corp.
By: Ann Russo, Vice President and Manager

Robert J. Shilliday III and Vorndran Shilliday, P.C. ("Bankruptcy Counsel") have acted as legal counsel to Debtor J.T.P. Corp. on bankruptcy matters during this Chapter 11 case. Bankruptcy Counsel assisted Debtor in the preparation of this Disclosure Statement based upon information provided primarily by the Debtor. The information contained herein has been approved by the Debtor. Bankruptcy Counsel have not made any separate or independent investigation as to the veracity or accuracy of the statements contained herein.



Ann Russo
J.T.P. Corp.
Debtor and Debtor-in-Possession

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CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of February, 2017, I deposited a true and correct copy of the foregoing **DISCLOSURE STATEMENT TO ACCOMPANY AMENDED PLAN OF REORGANIZATION DATED FEBRUARY 28, 2017** in the United States Mail, postage pre-paid, and addressed as follows:

Joseph A. Murr Kimberly L. Martinez Murr Siler & Accomazzo, PC 410 17 th Street, Suite 2400 Denver, CO 80202	Douglas D. Koktavy 10200 East Girard Avenue Building B, Suite 120 Denver, Colorado 80231
Alan K. Motes 1961 Stout Street, Suite 12-200 Denver, CO 80294	Lance Goff 3015 47 th Street, Suite E-1 Boulder, CO 80301
Office of the US Trustee 1961 Stout Street, Suite 12-200 Denver, CO 80294	

s/ Robert J. Shilliday III
Robert J. Shilliday III