

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT**

IN RE:
FORTUNATO C. CONDORI
AND SARA C. CONDORI
DEBTORS

CHAPTER 11
CASE NO. 13-51436

X

SECOND AMENDED DISCLOSURE STATEMENT

On September 12, 2013, (the “commencement date”), the Debtors, Fortunato C. Condori and Sara C. Condori, (hereafter, the “Debtors”), filed a voluntary joint petition for reorganization pursuant to Chapter 11 of the United States Code, (hereafter, “the Code”), with the United States Bankruptcy Court for the District of Connecticut, Bridgeport Division, (hereafter, “the Court”). The Debtors have simultaneously filed with this Second Amended Disclosure Statement, (hereafter, “the Statement”), a proposed Second Amended Plan of Reorganization, (hereafter, “the Plan”). Pursuant to Section 1125 of the Code, the Debtors have filed and served the Statement and the Plan on notice to all of the holders of claims and interests in the Debtors estate so that the Statement may be approved by the court and the Plan voted upon by creditors. The purpose of the Statement is to provide the holders of claims against or interests in the Debtors estate with adequate information about the Debtors and the Plan to make an informal judgment about the merits of approving and voting on the Plan.

NO REPRESENTATIONS CONCERNING THE DEBTORS, (PARTICULARLY AS TO THE VALUE OF THEIR PROPERTIES, IS AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY ANY CREDITOR. THE INFORMATION CONTAINED IN THIS STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THE RECORDS KEPT BY THE DEBTORS ARE NOT WARRANTED OR REPRESENTED TO BE WITHOUT ANY INACCURACY ALTHOUGH EVERY EFFORT HAS BEEN MADE TO BE ACCURATE. APPROVAL OF THIS DISCLOSURE STATEMENT BY THE COURT DOES NOT CONSTITUTE A RECOMMENDATION AS TO THE MERITS OF THE PLAN.

GENERAL BACKGROUND AND HISTORY ABOUT THE DEBTORS

The Debtors, filed this joint voluntary Chapter 11 bankruptcy petition for relief, with this court on September 12, 2013, (hereafter, “the commencement date”), for the purpose of reorganizing their personal financial affairs and retaining their income producing investment properties which they own individually or jointly. The Debtors financial difficulties were mainly the result of the illness, (lymphoma), of Mr. Fortunato C. Condori, between 2011- 2013. The illness, required Mr. Condori, to undergo chemotherapy treatment for over one (1) year. As a result of the physical and mental effects of the medical treatment for this illness Mr. Condori, was unable to adequately maintain, manage or operate his investment properties and financial affairs. Consequently, the Debtors suffered financial losses which included but were not limited to the loss of rental income. The loss of rental income caused the Debtors to become delinquent on their financial obligations.

INCOME

The Debtors receive regular monthly income from two sources as described below:

1. **Monthly rental income in the amount of \$17,700.00, from their joint ownership, operation and management of the following six (6) investment properties, (hereafter referred to collectively as the “Investment Properties”):

<u>PROPERTY</u>	<u>RENTAL INCOME</u>
a. 6 Woodland Ave. ., Port Chester, NY;	\$1,700.00
b. 472 Ellendale Ave., Port Chester , NY;	\$3,200.00
c. 1175-1177 Park Ave., Bridgeport, CT;	\$3,800.00
d. 125-129 Orchard St., Bridgeport, CT	\$2,400.00
e. 940-946 Grand St., Bridgeport, CT	\$3,400.00
f. 1220-1228 East Main St., Bridgeport, CT;	\$3,200.00

**Each of the tenancies is based upon a month to month verbal lease.

2. Ms. Condori's full time employment at Greenwich Hospital, as a registered nurse (employed for over five (5) years), where she receives monthly net income in the amount of approximately \$5,617.86, (Exhibit "A"). Ms. Condori, also receives additional income from her part time employment, on an as needed basis at Northern Westchester Hospital.

ASSETS

REAL ESTATE INTERESTS

The Debtors hold an individual or joint legal interest in the following six (6) properties:

1. **6 WOODLAND AVE., PORT CHESTER, NY**

BACKGROUND

The real property located at 6 Woodland Ave., Port Chester, NY, is a two family residential property. The first floor of this property is the Debtors residence, (hereafter, "the residence"). The second floor is rented to one (1) tenant. The Debtors intend to continue to retain and reside at the residence. This property is jointly owned by the Debtors, (See Exhibit "B"). An appraisal of the property completed on behalf of the Debtors determined the fair market value of the property to be \$435,000.00, (Exhibit "C"). The residence is encumbered by one (1) mortgage originally held by Citimortgage, Inc., (See Exhibit "B"). The mortgage was assigned to U.S. Bank National Association..., on November 9, 2015. The Debtors are jointly liable on the mortgage. (See Exhibit "B"). The amount of the original first mortgage recorded on March 23, 2007, was \$495,000.00, (See Exhibit "B"). On the commencement date the mortgage debt was \$516,966.43, (See Proof of Claim No.4-1). The term of the original mortgage loan is 30 years at a 6.375% variable interest rate. On the commencement date the Debtors were in arrears in connection with this first mortgage in the amount of \$4,483.62, (See Proof of Claim No.4-1). Said Mortgage was the subject of

a loan modification agreement executed on June 17, 2010. The regular monthly mortgage payment pursuant the Home Affordable Modification Agreement is \$2,992.12, which included an escrow for taxes and insurance, (annual property insurance is \$2,064.00 yrly/\$172.00 per mo., See Exhibit "D" and annual real estate taxes in the amount of \$14,178.83 annually/\$1,181.57 per mo, Exhibit "E"). Since the commencement of this case the Debtor and creditor have entered into and filed with the court a Stipulation On Motion In Chapter 11 Case For Motion To Determine The Status of Claims Under 11 U.S.C. Section 506(a), (ECF NO. 423). This Stipulation provides that the creditor has an allowed secured claim in the amount of \$430,000.00, and an allowed unsecured claim in the amount of \$86,966.43. The Debtors shall pay the secured portion of the claim in full over thirty (30) years at 4.25% per annum. The monthly payment shall be \$2,115.34. The balance of the claim in the amount of \$86,966.43, shall be treated as an unsecured claim in Class 14. This Stipulation further provides that the Debtor shall continue to escrow with the creditor for taxes and insurance related to the subject loan and property. The parties have also entered into a Stipulated Order In Connection With Motion for Adequate Protection And Relief From The Automatic Stay, (Exhibit "G"), providing that the Debtor shall cure the post petition escrow advances made by the creditor which were at the time of the Stipulation in the amount of \$17,893.91, by paying equal monthly installments of \$248.52, without interest for thirty six (36) months commencing July 1, 2016, until the amount is satisfied. The aforementioned Stipulation also provides that the Debtors shall also pay \$8,946.72 on or before June 30, 2016, to cure the post-petition escrow advances. This payment of \$8,946.72 has been paid.

OTHER LIENS

The liens of record other than the mortgage liens encumbering the residence on the commencement date are as follows:

1. Village of Port Chester, Index No. 47840/09, recorded April 30, 2012, in the amount of \$4,000.00. (See Exhibit "B")

RENTAL INCOME

There is currently one (1) tenant residing at the property. The agreed total monthly rent collected monthly for this rental is \$1,700.00.

FORECLOSURE PROCEEDINGS

On the commencement date the Debtors were not a party to any foreclosure action in connection with this property.

ISSUES TO BE RESOLVED IN THESE PROCEEDINGS

NONE.

2. 472 ELLENDALE AVE., PORT CHESTER, NY

BACKGROUND

The property located at 472 Ellendale Ave., Portchester, NY, is a two (2) family residential investment property. The Debtors intend to retain this property. The property is owned jointly by the Debtors, (See Exhibit "H"). The fair market value of this property is \$255,000.00, (Exhibit "I"). The property has one (1) mortgage recorded on June 21, 2000, which is currently held by JPMorgan Chase Bank, National Association, (hereafter, "JPMorgan") (See Exhibit "H"). The Debtors are jointly liable on this mortgage. (See Exhibit "H"). The original principal loan amount is \$368,000.00, with an interest rate of 5.375% for a term of 15 years. Said Mortgage was the subject of a loan modification agreement executed on July 19, 2013. Pursuant to the loan modification the regular monthly mortgage payment on the commencement date was

\$3,296.23, at 2.00% which includes an escrow for taxes and insurance. On the commencement date the outstanding mortgage debt is \$409,477.40, (See Proof of Claim No. 3-2). The loan was assigned to Bayview loan Servicing, LLC, which assignment was recorded on September 17, 2014. The JPMorgan mortgage on this property shall be treated as a secured claim in the amount of \$255,000.00 and the balance of the claim in the amount of \$154,477.40 as an unsecured claim in Class 14. The secured portion of the claim shall be repaid over thirty (30) years at a fixed 4.25% interest rate in equal monthly installments of \$1,254.45, commencing on October 1, 2016 and continuing on the 1st of each month thereafter until paid in full. The annual real estate taxes are \$12,543.66/\$1,045.30, per mo, (Exhibit "J"). Property insurance is presently an annual amount of \$1,344.00/\$112.00 per mo., (Exhibit "K").

OTHER LIENS

The liens of record other than mortgage liens encumbering this property on the commencement date are as follows:

1. Judgment in favor of the Village of Port Chester recorded April 30, 2012 in the amount of \$4,000.00 Index No. 47840/09. (See Exhibit "H").

RENTAL INCOME

There are currently two (2) tenants residing at the property. The agreed total monthly rent collected monthly for this rental is \$3,200.00.

FORECLOSURE PROCEEDINGS

On the commencement date the Debtors were a party to a foreclosure action entitled JP Morgan Chase Bank , National Association... v. Fortunato C. Condori, et al. (Supreme Court, County of Westchester, Index No. 14224/09). A Judgment of Foreclosure and Sale was entered against the Debtor in that action by the court on July 30, 2010. The mortgage debt was determined to be \$343,538.69 as of April 29, 2010..

ISSUES TO BE RESOLVED IN THESE PROCEEDINGS

1. The Debtors have filed a Motion To Determine the Status of Liens Under Section 506(a), (ECF DOC NO. 326). The creditor filed an Objection, (ECF DOC. NO. 346), to the Motion. The Debtor is awaiting an appraisal from JP Morgan.

2. The Debtor is awaiting a payment history in connection with this loan for the purpose of determining whether a payment made by the Debtors from the DIP Account on or about July 1, 2014 of \$22,581.86 was applied to the subject account.

3. 1175-1177 PARK AVE. BRIDGEPORT, CT

BACKGROUND

The property located at 1175-1177 Park Ave., Bridgeport, CT, is a six (6) family investment property which produces monthly rental income in the amount \$3,800.00. The Debtors intend to retain this investment property. This property is jointly owned by the Debtors, (See Exhibit "L"). The fair market value of the property as determined by the Debtors appraisal is \$145,000.00, (Exhibit "M"). The property has one (1) mortgage of record held by Ocwen Loan Servicing, LLC. The Debtors are jointly liable on the mortgage, (Exhibit "L"). The original principal first mortgage loan which was held by Greenpoint Mortgage Funding, Inc., and recorded on January 8, 2007, was in the amount

of \$318,750.00, with an *interest rate of 6.750% for a term of 30 years. The current mortgage debt on the commencement date is \$498,986.36, (Proof of Claim 7-1)*. The regular monthly mortgage payment (principal and interest), on the commencement date was \$2,067.41. This is an escrowed mortgage loan. The real estate taxes are \$12,797.40.ann./\$1,066.45 per mo., (See Exhibit "N"). Property insurance annually is \$5,229.00 ann./\$435.75 per mo., (Exhibit "O"). The Debtors and Ocwen Loan Servicing, LLC, have entered into a Stipulation, (Exhibit "P"), resolving the Debtors Motion To Determine Secured Status. The Stipulation provides that the fair market value of this property is \$235,000.00. The Stipulation further provides that Ocwen's mortgage lien on this property shall be treated as a secured claim of \$235,000.00 and the balance of the claim in the amount of \$263,986.36 as an unsecured claim in Class 14. The secured portion of the claim shall be repaid over twenty (20) years at a fixed 5.5% interest rate in equal monthly installments of \$1,616.54, commencing on October 1, 2016 and continuing on the 1st of each month thereafter until paid in full. The Stipulation further provides that upon entry of an order confirming the Debtor's plan, the Debtor's loan shall be a non-escrowing loan and the Debtors shall be responsible for the timely payment of all post confirmation taxes that become due and owing to the taxing authority. The Debtors shall further maintain at all relevant times property insurance on the property and shall timely pay all insurance premiums that become due. The Stipulation provides all escrow advances made up to August 18, 2016, for real estate taxes and/or insurance payments which is currently in the amount of \$125,139.06, shall be repaid in full in equal monthly installments of \$860.82 over a period of twenty (20) years period at a fixed 5.5% interest rate commencing on October 1, 2016 and continuing

on the 1st of each month thereafter until paid in full.

OTHER LIENS

There were no other liens of record other than mortgage liens encumbering the property on the commencement date. (See Exhibit “L”).

INCOME

There are currently six (6) tenants residing at the property. The total monthly rental income received by the Debtors from this property is \$3,800.00.

FORECLOSURE

On the commencement date the Debtor was a party to a foreclosure action entitled U.S. Bank, NA vs. Fortunato Condori et al., (Superior Court J.D. of Fairfield at Bridgeport, Docket No. CV 095027646-S). A Judgment of Strict foreclosure was entered on May 6, 2013. The law day for the Debtors was set for September 17, 2013.

ISSUES TO BE RESOLVED IN THESE PROCEEDINGS

- a. The Debtor is awaiting a payment history from Ocwen, in connection with this loan for the purpose of determining whether payments made by the Debtors on or about October 3, 2015 were applied to the subject account.
- b. The Debtor is also awaiting a Proof of claim from the creditor so that it may determine the amount of Ocwen’s unsecured claim.

4. **125-129 ORCHARD ST., BRIDGEPORT, CT**

BACKGROUND

The property located at 125-129 Orchard St., Bridgeport, CT, is a three (3) family residential investment property. The Debtors intend to retain this property. The property is owned jointly by the Debtors, (See Exhibit “X ”). The fair market value of this property is \$74,000.00, (Exhibit “Y”). The property has two (2) mortgages of

record. (Exhibit "X"). The first mortgage is held by JPMorgan Chase Bank, National Association, (hereafter, "JPMorgan"), (See Exhibit "X"). The second mortgage is held by HSBC Bank USA, National Association, As Trustee. The Debtor, Fortunato Condori is jointly liable on both the first and second mortgages with his brother Jesus Condori, (See Exhibit "X"). The original first mortgage principal loan amount was in the amount of \$201,500.00. Said loan was to be paid plus interest of 6.375% per annum for a term of 30 years. The regular monthly mortgage payment on the commencement date was \$1,257.10, which included an escrow for taxes and insurance. On the commencement date the outstanding mortgage debt is \$247,786.69, (See Proof of Claim No. 2-1). The second mortgage is currently in favor of HSBC Bank USA, National, Association, As Trustee. The second mortgage was recorded February 6, 2006, in the amount of \$46,500.00 in Volume 6821 at Page 264 of the Bridgeport Land Records. (See Exhibit "X"). The claim of JPMorgan on this property shall be treated as a secured claim in the amount of \$74,000.00 and the balance of the claim in the amount of \$173,786.69 as an unsecured claim. The secured portion of the claim shall be repaid over twenty (30) years at a fixed 5.25% interest rate in equal monthly installments of \$408.63, commencing on October 1, 2016 and continuing on the 1st of each month thereafter until paid in full. The annual real estate taxes are \$6,781.36/\$565.11 per mo, (Exhibit "X"). The annual premium for property insurance is presently an annual amount of \$1,813.76/\$151.140 per mo., (Exhibit "Z").

OTHER LIENS

There were no other liens encumbering this property on the commencement date.

RENTAL INCOME

There are currently three (3) tenants residing at the property. The agreed total monthly rent collected monthly for this rental is \$2,400.00.

FORECLOSURE

On the commencement date the Debtors were a party to a foreclosure action entitled JP Morgan Chase Bank , National Association v. Fortunato C. Condori, et al,(Superior Court, J.D. of Fairfield @ Bridgeport, CV 12-6031157-S).

ISSUES TO BE RESOLVED IN THESE PROCEEDINGS

- a. The Debtor is awaiting an appraisal of the subject property from JP Morgan.
- b. The Debtors are awaiting a payment history in connection with this loan for the purpose of determining whether a payment made by the Debtors from the DIP Account on or about June 24, 2014 of \$10,273.13, was applied to the subject account.

5. 940 -946 GRAND ST., BRIDGEPORT, CT

BACKGROUND

The property located at 940-946 Grand St., Bridgeport, CT, is a four family investment property which produces rental income in the amount \$3,400.00.

The property is jointly owned by the Debtors, (Exhibit "Q"). The Debtors intend to retain the property. The Debtors appraisal determined the fair market value of the property to be \$120,000.00, (Exhibit "R"). The property has one mortgage of record currently held by H&R Block Bank, FSB, (Exhibit "Q"). The Debtors are jointly liable on this mortgage, (Exhibit "Q"). The original principal first mortgage was recorded on August 29, 2006, is in the amount of \$306,000.00, with a variable *interest rate of 8.750% for a term of 30*

years. The mortgage debt on the commencement date is \$287,884.04, (See Proof of Claim No. 5-1). The original monthly mortgage payment including principal, interest, taxes and insurance on the commencement date was \$2,407.30. The annual real estate taxes are \$8,971.20 ann./\$747.60 per mo., (Exhibit "Q"). Property insurance annually is \$3,371.88 ann./\$280.99 per mo., (Exhibit "S"). The Debtors have entered into a the Stipulation, (Exhibit "T"), with H&R Block Bank, FSB, resolving the Debtors Motion To Determine Secured Status. The Stipulation, provides that the fair market value of this property is \$174,000.00. The Stipulation further provides that mortgage held by H&R Block Bank, FSB, on this property shall be treated as a secured claim in the amount of \$174,000.00 and the remaining balance of the claim in the amount of \$113,884.04, shall be treated as an unsecured claim in Class 14. The secured portion of the claim shall be repaid over twenty (25) years at a fixed 4.25% interest rate in equal monthly installments of \$942.62, commencing on October 1, 2016 and continuing on the 1st of each month thereafter until paid in full. The Stipulation further provides that the Debtors shall continue to escrow with the creditor for taxes and insurance related to the subject loan and property.

OTHER LIENS

There are no other liens of record other than mortgage liens encumbering the property on the commencement date. (Exhibit "Q").

INCOME

There are currently four (4) tenants residing at the property. The agreed total monthly rental income received by the Debtors from this property is \$3,400.00.

FORECLOSURE

On the commencement date the Debtors were not a party to any foreclosure action in connection with this property.

6. 1220-1228 EAST MAIN ST., BRIDGEPORT, CT

BACKGROUND

The property located at 1220-1228 East Main St., Bridgeport, CT, is a multi-use, (commercial/residential), investment property which produces monthly rental income in the amount \$3,200.00. The first floor is utilized as a laundromat by GSS Wash and Dry, LLC. The second floor has two apartments and two (2) separate tenancies, (renting @ \$800.00 each per month) and the third floor has two apartments with two separate Tenancies, (renting @ \$850.00 and \$750.00 per month). The property is jointly owned by the Debtors, (Exhibit "U"). The fair market value of the property is \$170,000.00, (Exhibit "V"). The property has one (1) mortgage of record currently held by Sutherland Asset I, LLC, (Exhibit "U"). The Debtor, Fortunato Condori, is jointly liable with his brother, Jesus Condori, on this mortgage, (Exhibit "U"). This mortgage loan is escrowed for taxes. The original principal first mortgage loan recorded October 6, 2004, is in the amount of \$236,250.00, at an *interest rate of 5.625% for a term of 25 years. The current mortgage debt on the commencement date is \$192,256.56, (See Proof of Claim No1-1).* The regular monthly mortgage payment which includes principal, interest and escrow was on the commencement date \$2,936.83. On December 4, 2014, the court entered a Stipulated Order, (ECF DOC. NO. 160), in connection with the Motion For Relief from Stay brought by Sutherland Asset I, LLC. The Stipulated Order required the Debtor to cure the post petition arrears by making fourteen (14) monthly payments of \$4,279.86. The Debtor made each of the aforementioned required payments and is current with the regular monthly mortgage payments. The secured claim in the amount of \$170,000.00 shall be repaid over twenty (13) years at a fixed 5.62% interest rate in

equal monthly installments of \$1,538.31, commencing on November 1, 2016 and continuing on the 1st of each month thereafter until paid in full. The balance of the claim in the amount of \$22,256.56 shall be treated as an unsecured claim in Class 14. The Debtor shall continue to escrow with the creditor for taxes and insurance related to the subject loan and property. *The real estate taxes are \$12,171.28 ann./\$1,014.27 per month, (Exhibit "U"). Property insurance annually is \$6,080.16 ann./\$506.68 per mo., (Exhibit "W").*

OTHER LIENS

There were no other liens of record other than mortgage liens encumbering the property on the commencement date.

INCOME

There are currently four (4) tenants residing at the property. The agreed total monthly rental income received by the Debtor from this property is \$3,200.00.

FORECLOSURE

On the commencement date the Debtors were not a party to any foreclosure action

ISSUES TO BE DECIDED IN THESE PROCEEDINGS

a. On December 9, 2015, the first mortgage holder filed a Motion for Relief from Stay (ECF. DOC. NO. 237). On December 28, 2015, relief from the automatic stay was granted because the Debtor had allegedly failed to maintain insurance, (ECF DOC. NO. 239). The Debtor contends the relief was granted erroneously, as the required insurance was in place. The issue to be decided is whether the automatic stay was correctly lifted at the time.

a. The balance of the mortgage debt as of October 4, 2016, needs to be confirmed.

b. The Debtors are awaiting an appraisal of the subject property from Sutherland

Asset I, LLC.

- c. The Debtors are awaiting a payment history in connection with this loan for the purpose of determining whether all payments made by the Debtors from the DIP
- d. The Debtors are awaiting a reconciliation of the following: as. Default interest rate from 9/1/13 to 7/20/16 @ 5% and interest charges from 9/1/15 to 7/20/16 @ 5.25% as stated in the Payoff Statement dated July 22, 2016.

Account have been applied to the subject account.

SILVERLEAF CLUB

BACKGROUND

The Debtors jointly own a time share. The fair market value of the property is Estimated to be \$15,000.00. The property has one (1) lien of record, The Debtors are jointly liable on the lien. *The current mortgage debt on the commencement date is approximately \$12,042.23*, The regular monthly principal and interest payment on the commencement date was \$297.29.00.

OTHER LIENS

There are no other liens encumbering the property on the commencement date.

OTHER BUSINESS INTEREST

The Debtors are the sole members and 100% owners of GSS Wash & Dry, LLC, (hereafter, GSS). The nature of the business of GSS, is that of a laundromat. GSS, owns no real property. The personal property owned by GSS, has a value of approximately \$73,741.10. GSS, is liable on the following liens: a. City of Bridgeport in the amount of \$44,723.16 as of 9/30/16 and b. Alliance Laundry Systems, LLC – POC 6 – \$127,679.69/secured; and \$35,478.71/unsecured). GSS, filed for relief under Chapter 11, (Case No. 13—51562), on October 3, 2012 and that case was confirmed by this court on

February 4, 2015.

LIQUIDATION ANALYSIS PERSONAL PROPERTY

The Debtors personal property is of nominal value. There are no non exempt assets owned by the Debtors. A liquidation of the Debtors real and personal property would result in a dividend paid to unsecured creditors of an amount less than or equal to the amount to be paid under the plan proposed herein.

The Debtors believe that the plan meets the best interest of creditors test, in that each creditor, whose claim is allowed, and who has not agreed to specific treatment for its claim, will receive under the plan more than such creditor would receive in a liquidation under Chapter 7 of the bankruptcy code. A Chapter 7 liquidation of the Debtors assets would result in the sale of the Debtors property on a liquidation basis. Such a sale would minimize the return on the Debtors property and would likely result in a much lower price by bidders seeking a bargain price in a distress situation. Moreover, if the case proceeded to liquidation under Chapter 7, there would be an additional expenses for administrative costs furtherer diminishing the return for creditors. A liquidation of the Debtors assets would yield a distribution as follows, exclusive of Chapter 7 administrative costs. The valuation of non-real estate assets set forth below are good faith estimates by the Debtors and are not based upon any appraisal.

ASSETS AND LIABILITIES AS OF THE COMMENCEMENT DATE

I. REAL ESTATE

1. 6 Woodland Ave., Port Chester, NY

- A. FMV (subject to updated appraisal).....\$430,000.00 (Exhibit "C").
- B. LESS ENCUMBRANCES.....\$516,966.43 (POC NO. 4-1)
- C. EQUITY.....\$0.00

2. 472 Ellendale Ave., Port Chester, NY

- A. FMV(subject to updated appraisal).....\$255,000.00 (Exhibit "I")
- B. LESS ENCUMBRANCES.....\$413,477.00 (POC NO. 3-2)
- C. EQUITY.....\$0.00

- 3. **1175-1177 Park Ave., Bridgeport, CT**
 - A. FMV.....\$235,000.00 (Exhibit "M")
 - B. LESS ENCUMRANCES.....\$498,988.36 (NO POC)
 - C. EQUITY.....\$0.00

- 4. **125-129 Orchard St., Bridgeport, CT**
 - A. FMV (subject to updated appraisal).....\$74,000.00 (Exhibit "Y")
 - B. LESS ENCUMRANCES.....\$247,786.69 (POC NO. 2-1)
 - C. EQUITY.....\$0.00

- 5. **940 Grand St., Bridgeport, CT**
 - A. FMV.....\$174,000.00 (Exhibit "R")
 - B. LESS ENCUMRANCES.....\$287,884.04 (POC NO. 5-1)
 - C. EQUITY.....\$0.00

- 6. **1220-1228 East Main St., Bridgeport, CT**
 - A. FMV (subject to updated appraisal).....\$180,000.00 (Exhibit "V")
 - B. LESS ENCUMRANCES.....\$192,256.00 (POC NO. 1-1)
 - C. EQUITY.....\$0.00

- 7. **SILVERLEAF CLUB**
 - A. FMV.....\$12,000.00
 - B. LESS ENCUMRANCES.....\$12,042.23
 - C. EQUITY.....\$0.00

- 8.

- 9. **2014 KIA SEDONA**
 - D. FMV.....\$14,000.00
 - E. LESS ENCUMRANCES.....\$16,943.23
 - F. EQUITY.....\$0.00

II. **BUSINESS INTEREST**

- 1. ****GSS Wash & Dry, LLC (State of CT Business ID _____)**
 - a. ASSETS: 25 WASHERS/12 DRYERS/FURNITURE/CASH) ...\$73,741.10
 - b. LIABILITIES..... \$71,741.10 /SECURED;
\$35,478.71 /UNSECURED DEFICIENCY; and
\$44,785.19/ PROPERTY TAXES.
 - c. EQUITY:\$0.00
 - d. INCOME:

** GSS Wash & Dry, LLC, is a limited liability company in which the Debtors are the sole members. GSS Wash & Dry, LLC, Chapter 11 bankruptcy case was confirmed by the court on February 4, 2015, (ECF DOC. NO 114), (Case No. 13-51562). Pursuant to the confirmed plan GSS Wash & dry, LLC, is paying a 10% dividend to it's unsecured creditors pursuant to it's plan.

III. PERSONAL PROPERTY

<u>DEBTOR'S ASSETS</u>	<u>VALUE/LIABILITY</u>	<u>EXEMPTION</u>
a. 2014 Kia Sedona (FINANCED/W).....	\$14,000/\$16,943.23.....	NONE TAKEN
b. 2003 Kia Sedona (OWN/H).....	\$3,000.00/\$0.00....\$3,000.00/U.S.C.522(d)(2)	
c. *2000 Dodge RAM	\$0.00.....	NONE TAKEN
*The 2000 Dodge RAM was damaged in a motor vehicle accident on or about October 9, 2015. The owner/operator of the at-fault motor vehicle did not have insurance. The Debtor did not have property insurance in place and did not repair the motor vehicle due to the cost of the repairs. Consequently, the subject vehicle was destroyed.		
d. Household goods/furnishings.....	\$2,000.00...\$2,000.00/11 U.S.C.522(d)(3)	
e. Wearing apparel.....	\$1.00.00....\$1,000.00/11 U.S.C.522(d)(3)	
f. 2004 Ford Van (OWN/H).....	\$1,000.00...\$1,000.00/11 U.S.C.522(d)(5)	
g. Cash on hand (JOINT).....	\$800.00.....\$800.00/11 U.S.C.522(d)(5)	
h. TD Bank DIP (JOINT)....	\$42,000.00/\$0.00...\$14,650.00...11 U.S.C. 522(d)(5)	
(H=\$2,325.00/W=\$12,325.00)		
i. Bank of America (JOINT)	(TRANSFERRED TO DIP).....	\$0.00
j. JPMorgan Chase Bank (JOINT).....	(TRANSFERRED TO DIP).....	\$0.00
k. Life Insurance (TERM).....	\$0.00.....	\$0.00
r. Appliances..(H/OWN)...	21 refrig./21 stoves.\$9,000.00/\$9,000.00/11 U.S.C. 522(5)	
q. Miscellaneous tools (H).....	\$2,000.00...11U.S.C...522(d)(6)	
t. 401K (WIFE).....	\$41,054.03.11 U.S.C.522(d)(12)	
u. Order of Disgorgement Order (ECF 94).....	\$128,552.00.....	NONE TAKEN
s. Time Share in Branson, Missouri.....	\$0.00.....	NONE TAKEN
l. GSS Wash and Dry, LLC.....	\$0.00..	NONE TAKEN.

TOTAL NON EXEMPT ASSETS AVAILABLE FOR GENERAL UNSECURED CREDITORS: \$\$27,350.00

PROFESSIONALS RETAINED

On November 13, 2013, an Order, (DOC. ID #36), was entered by the court approving the Debtors retention in these proceedings of the Peter Ressler, as it's legal counsel. The Debtors prior counsel was terminated on May 3, 2016 by the court.

On June 3, 2016, the Debtors Application to Employ the undersigned as counsel, (ECF DOC. NO. 314), was filed with this court and the application was granted on June 23, 2016. The Debtors counsel will file a fee application for the legal services performed in these proceedings.

On June 2, 2016, the Debtors application, (ECF DOC. NO. 309), to employ Blue Ribbon Appraisal Services, LLC, (ECF DOC. NO. 309), as it's appraiser in the State of Connecticut. was granted, (ECF DOC. NO. 360). An Order, (ECF 407), approving the application to compensate the appraiser in the amount of \$2,000.00, was entered on July 28, 2016 .

On June 2, 2016, the Debtors application, (ECF DOC. NO. 315), to employ Seven County Appraisal Services, Inc., as it's appraiser in the State of New York, was granted, (ECF DOC. ID #359). The application to compensate this appraiser in the amount of \$800.00, was granted on June 28, 2016, (ECF 365). No further fees for appraisal services are contemplated to be performed by this appraiser in this case by the Debtor.

ISSUES TO BE DECIDED IN THIS CASE

1. The Debtor's Motion To Determine the Status Of Claims, in connection with the real property located at 472 Ellendale Ave., Port Chester, NY, was filed on June 7, 2016, (ECF DOC. NO. 326), Bayview Loan Servicing, LLC, filed an Objection, (ECF DOC. NO. 346), to the Motion. The matter is presently awaiting a resolution.
2. A Motion To Determine the Status Of Claims, (ECF NO. 376), was filed on July 11, 2016, in connection with the real property located at 125-129 Orchard St., Bridgeport, CT. An Objection, (ECF NO. 416), to the Motion was filed on August 16, 2016. The matter is presently awaiting a resolution.
3. A Motion To Determine the Status Of Claims, has been filed in connection with the property located at 1220-1228 East Main St, Bridgeport, CT. An Objection, (ECF NO. 411), to the Motion was filed on August 4, 2016. The matter is presently awaiting a resolution.
4. A Motion To Lift the Automatic Stay was granted without opposition while the Debtor was represented by prior counsel in connection with the property located at 1220-1228 East Main St, Bridgeport, CT. The Debtor contends the Motion was granted without objection. The Debtor is presently negotiating a resolution with the Movant.
5. Proof of Claim No. 1-1, filed by the claimholder in connection with the property located at 1220-1228 East Main St, Bridgeport, CT, is presently pending resolution.

There are no avoidable transfers to be prosecuted in these proceedings.
There are no further litigation proceedings to be brought by the Debtors in these proceedings other than as set forth herein.

II

PRE-PETITION DEBT

The following claims were taken from the Debtors schedules and from the proof of claims filed with the court. Where they conflict, the amounts from the proof of claim has been used.

A. Administrative Claims:

Administrative expenses as defined in Section 503(b) of the Code include the claim for compensation of the Debtors bankruptcy counsel, the Law Office of Russell Gary Small, P.C., which total is estimated to be \$50,000.00. All Administrative claims are required to be approved by the Court prior to payment. These claims will be paid in full upon their allowance or upon confirmation of the plan which ever is later. Any entity herein may elect to receive payment over a period of time or a different treatment.

B. Priority Claims pursuant to 11 U.S.C. 507(a)(8): NONE

C. Secured Claims

Village of Port Chester, (No Proof of Claim has been filed), is the holder of a secured claim in the amount of \$4,000.00, by virtue of a statutory lien. This portion of the claim is entitled to be paid statutory interest at 9%.

Citimortgage Inc., (Proof of Claim #4-1), is the holder of a secured claim, in the amount of \$516,966.43, by virtue of a duly recorded first mortgage encumbering 6 Woodland Ave., Port Chester, NY.

JP Morgan Chase Bank , NA., (Proof of Claim #3-2), is the holder of a secured claim, the amount of \$409,477.40, by virtue of a duly recorded first mortgage encumbering 472 Ellendale Ave., Port Chester, NY.

Ocwen , (Proof of Claim 7-1), is the holder of a secured claim in the amount of approximately \$498,986.36, by virtue of a duly recorded first mortgage encumbering 1175-1177 Park Ave., Bridgeport, CT.

JP Morgan Chase Bank , NA., (Proof of Claim #2-1), is the holder of a secured claim, in the amount of \$247,786.69, by virtue of a duly recorded first mortgage

encumbering 125 -129 Orchard St., Bridgeport, CT.

HSBC Bank USA, National Association As Trustee, (No Proof of Claim filed), is the holder of a secured claim, the amount of \$46,500.00, by virtue of a duly recorded second mortgage encumbering 125-129 Orchard St., Bridgeport, CT.

Nationstar Mortgage, LLC, (Proof of Claim No.5-1), is the holder of a secured claim in the amount of \$287,884.04 by virtue of a recorded first mortgage encumbering 940-946 Grand St., Bridgeport, CT.

Sutherland Asset I, LLC, (Proof of Claim #1-1), is the holder of a secured claim in the amount of \$192,256.56, by virtue of a duly recorded first mortgage encumbering 1220-1228 East Main St., Bridgeport, CT

Silverleaf Club, (No Proof of Claim filed), is upon information and belief the holder of a secured claim in the amount of approximately \$12,042.23, by virtue of a lien encumbering the timeshare.

Santander Consumer, USA, (No Proof of Claim filed), is upon information and belief the holder of a secured claim in the amount of approximately \$19,428.16, by virtue of a lien encumbering a 2014 KIA Sedona motor vehicle.

Alliance Laundry Systems, LLC, (Proof of Claim #6), is the holder of an unsecured claim in the amount of \$35,478.71, by virtue of a deficiency claim in connection with the Debtors personal guaranty of a debt owed by GSS Wash & Dry, LLC. The Debtors are equal members of GSS Wash & Dry, LLC.

D. UNSECURED CLAIMS

All unsecured claims (including the unsecured claims of mortgagees by virtue of 506 Orders), in the amount of \$861,859.48.

E. Equity Security Holders:

There are no equity security holders.

III THE PLAN OF REORGANIZATION

A. Definitions.

1. **Code:** Code shall mean the Bankruptcy Abuse Prevention and Consumer Protection Reform Act of 2005 which has been codified as Title 11 of the United States Code.

2. **Confirmation:** Confirmation shall mean the date on which this Plan is confirmed by Order of the Court.

3. **Court:** Court shall mean the United States Bankruptcy Court for the District of Connecticut at Bridgeport including the United States Bankruptcy Judge presiding therein.

4. **Effective Date of the Plan:** Effective Date of the Plan shall mean the first business day following the last day on which an appeal from an Order of the Court confirming this Plan may be taken under applicable law and no such appeal has been taken.

5. **Date of Confirmation of the Plan:** Date of Confirmation of the Plan shall mean that date upon which the Court approves the Debtors Plan.

6. **Voting, Cram Down and Confirmation**

a. **Voting**

A proposed plan of reorganization may be confirmed in the following ways:

- 1) The Plan is accepted by the Creditors of Classes 1-13. Of those creditors in Classes 1 through 13 who hold allowed claims and actually vote on the Plan, at least two-thirds in dollar amount of the allowed claims and who constitute more than one-half in number of such class must vote for the Plan in order for the Plan to be confirmed; or 2) If all sixteen paragraphs of 11 U.S. C. Section 1129(a) are satisfied.

Administrative claims are to be paid in full upon confirmation; they are not impaired under the Plan and are deemed to have accepted the Plan.

b. **Cram Down**

If a plan proponent satisfies every paragraph of Section 1129(a) except for the voting requirements provisions of paragraph (8), a plan can be confirmed nonconsensually (via “cramdown”), if it does not discriminate unfairly and is fair and equitable with respect to each impaired dissenting class under the plan. Creditors within a class vote as part of a class. A plan is “fair and equitable” within the meaning of this section if it provides as to a class of secured creditors, that the holders of such claims retain the lien securing the claim in the allowed amount of the claim, and receive deferred cash payments totaling the allowed amount of such claim and having a value, as of the effective date of the Plan, of its collateral or if the holders of claims in junior classes will receive or retain

nothing under the plan. The rule that junior classes receive or retain no property is sometimes called the “absolute priority rule“.

The absolute priority rule provides that in order for a cram down to be “fair and equitable”, every unsecured creditor in a dissenting impaired class must be paid in full before the debtor is permitted to retain “any property” under the plan. 11 U.S.C. Section 1129(b)(2)(B)(ii). Accordingly, the approval of this Chapter 11 plan must be consensual or the absolute priority rule would be violated in this case. However, an exception to this rule exists where either the plan provides for a liquidation or a junior class makes a “substantial” contribution of new money or property into the debtor as part of a plan of reorganization, and this exception may provide an opportunity to existing shareholders of the debtor who wish to retain an equity interest in the company. The Debtor intends to invoke these “cram down” provisions against any class, secured or unsecured, that fails to accept the Plan.

7. To the extent that the word “impaired” is used, impaired is defined in 11 U.S.C. Section 1124 as follows, except as to unfavorable treatment agreed upon by any class or claimant:

A class of claims or interests is impaired under a plan unless, with respect to each claim or interest of such class, the plan: 1. Leaves unaltered, the legal, equitable and contractual rights to which such claim or interest entitles the holder of such claim or interest; or 2. Notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default-

- (A) Cures any such default that occurred before or after the commencement of the case under this title, (11 U.S.C. 101 et seq.), other than a default of a kind specified in Section 365(b)(2) of this title or of a kind that Section 365 (b)(2) expressly does not require to be cured;
- (B) Reinstates the maturity of such claim or interest as such maturity existed before such default;

(C) Compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law;

(D) If such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to Section 365(b)(1)(A), compensates the holder of such claim or such interest, (other than the Debtor or an insider), for any actual pecuniary loss incurred by such holder as a result of such failure; and

(E) Does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

The major objectives of the Plan are the following:

- a. Payment to and protection of the interests of the secured creditors;
- b. Payment of all priority and administrative claims; and
- c. Payment of an amount to unsecured creditors that is not less than such creditors would have received in the event that the Debtor liquidated its estate on the effective date of the Plan.

The following is a brief summary of the Plan and should not be relied upon for voting purposes. Creditors are urged to read the Plan in full. Creditors are further urged to consult with counsel or with each other in order to fully understand and evaluate the Plan.

All creditors who are listed in the Debtors schedules filed with the Bankruptcy Court may vote on the Plan whether or not they have filed Proofs of Claim, except in those instances where the schedules reflect that the claim is disputed, unliquidated, contingent or where objections to claims have been filed. Further, all creditors who are listed in the schedules will receive payment pursuant to the Plan whether or not a Proof of Claim is filed, except in those instances where the creditor agrees otherwise or the schedules reflect that the Creditor's claim is disputed, contingent, or unliquidated. In the case where objections to claims have been made by the Debtor, payments will be made in accordance with the Plan

upon a final decision by the court at the allowed amount. Where a Proof of Claim is filed in an amount which is different from that set forth in the Debtors schedules, or is filed as a claim which is scheduled as disputed, contingent or unliquidated, the same may be subject to objection, and after a hearing thereon, may be either allowed, reduced or disallowed by the Court and the amount determined in that instance will establish the amount to be paid to the creditors pursuant to the Plan.

C. Claims and Interests under the Plan.

A. Administrative Claim(s)

Administrative expenses as defined in Section 503(b) of the Code include the claim for legal fees of the Debtors bankruptcy counsel, the Law Office of Russell Small, P.C., which total is estimated to be \$50,000.00. The allowance of administrative claims is required to be approved by the Court. These claims will be paid in full on the later of their allowance or confirmation of the plan. Any entity herein may elect to receive payment over a period of time or a different treatment.

B. Priority Claims pursuant to 11 U.S.C. 507: NONE

C. Secured Claims

Class 1 is comprised of the claim of Village of Port Chester, (No Proof of Claim filed), in the amount of \$4,000.00 by virtue of a statutory lien.

Class 2 is comprised of the claim of Citimortgage, (Proof of Claim #4-1), in the amount of \$516,966.43 by virtue of a duly recorded first mortgage encumbering 6 Woodland Ave., Port Chester, NY.

Class 3 is comprised of the claim for escrow advances made by Citimortgage, (Proof of Claim #4-1), in the amount of \$17,893.91, in connection with 6 Woodland Ave., Port Chester, NY.

Class 4 is comprised of the claim of JPMorgan Chase Bank NA, (Proof of Claim #3-2), in the amount of \$409,477.40, by virtue of a duly recorded first mortgage encumbering 472 Ellendale Ave., Port Chester, NY.

Class 5 is comprised of the claim of Ocwen, (No Proof of Claim filed), in the amount of \$699,372.76, by virtue of a recorded first mortgage encumbering 1175-1177 Park Ave., Bridgeport, CT.

Class 6 is comprised of the for escrow advances made by Ocwen, in the amount of \$125,139.06, in connection with 1175-1177 Park Ave., Bridgeport, CT.

Class 7 is comprised of the claim of JPMorgan Chase, (Proof of Claim #2-1), in the amount of \$247,786.69, by virtue of a recorded first mortgage encumbering 125-129 Orchard St., Bridgeport, CT.

Class 8 is comprised of the claim of HSBC, (No Proof of Claim filed), in the amount of \$46,500.00, by virtue of a recorded mortgage encumbering 125-129 Orchard St., Bridgeport, CT.

Class 9 is comprised of the claim of Nationstar Mortgage , LLC, (Proof of Claim #5-1), in the amount of \$287,884.04, by virtue of a recorded mortgage encumbering 940-946 Grand St., Bridgeport, CT.

Class 10 is comprised of the claim of Sutherland Asset I, LLC, (Proof of Claim #1-1), in the amount of \$192,256.56, by virtue of a recorded mortgage encumbering 1220-1228 Main St., Bridgeport, CT.

Class 11 is comprised of the claim of Silverleaf Club, (No Proof of Claim filed), in the amount of approximately \$12,042.23, by virtue of a recorded mortgage encumbering a time share owned jointly by the Debtors.

Class 12 consists of the unsecured claim of Alliance Laundry, LLC, in the amount of \$35,478.71 by virtue of the Debtors personal guaranty.

Class 13 consists of the secured claim of Santander Consumer, USA, (No Proof of Claim filed), in the amount of approximately \$19,428.16, by virtue of an automobile financing lien encumbering a 2014 KIA Sedona motor vehicle.

Class 14 consists of the claims of all unsecured non priority creditors, (including the unsecured claims of mortgagees by virtue of 506 Orders), except the unsecured claim of Alliance Laundry Systems, LLC, in the amount of \$861,859.48.

E. Treatment of Claims and Interests Under the Plan

Administrative Claims

These claims will be paid in full on the later of their allowance or confirmation of the Plan. Any entity herein may elect to receive payment over a period of time or a different treatment.

In accordance with 11 U.S.C. 1129 (a)12 of the Bankruptcy Code and 28 U.S.C. Section 1930, all quarterly fees payable to the United States Trustee shall be paid by the Debtors in full on or before their respective due dates and shall continue to be assessed and paid until such time as a final decree is entered by the court or the court enters an order converting or dismissing this case. The Debtors shall also file timely monthly operating reports every month until such time as a final decree is entered by the court or the Court enters an order converting or dismissing this case.

Priority Claims pursuant to 11 U.S.C. 507(a)(8)

There are no priority claims.

SECURED CLAIMS

Class 1

Village of Port Chester, (No Proof of Claim filed), is the holder of a secured claim in the amount of \$4,000.00, which shall be paid with 9% interest per annum in equal monthly installments of \$83.03, over a period of five (5) years commencing on the effective date. This claim is impaired under the plan and entitled to vote on the plan.

Class 2

The claim of Citimortgage, (**hereafter, CITI**), (Proof of Claim No. # 4-1), which encumbers 6 Woodland Ave. Port Chester, NY, shall be paid pursuant to

the Stipulation On Motion In Chapter 11 Case For Motion To Determine The Status of Claims Under 11 U.S.C. Section 506(a) (ECF No. 423), entered into between the Debtors and CITI, on or about September 26, 2016. The Stipulation in it's entirety is hereby incorporated into and made a part of the Plan as if more fully set forth therein. Pursuant to the said Stipulation the allowed secured portion of CITI'S claim is in the amount of \$430,000.00. The unsecured claim of CITI, is in the amount of \$86,966.43. The allowed secured claim in the amount of \$430,000.00 shall be paid at 4.25% interest per annum over period of 30 years commencing on July 1, 2016, otherwise according to the terms and conditions provided in the original note and mortgage dated February 26, 2007. The monthly principal and interest payment shall be \$2,115.34 per month. The Debtors shall continue to escrow with CITI for taxes and insurance related to the subject loan and property. The unsecured portion of the claim in the amount of \$86,966.43, shall be treated in Class 14 of the plan. Until paid under the plan CITI, shall retain its lien. Nothing herein shall prevent the Debtors from paying the balance of the agreed secured debt as reduced by the payments made under the plan at anytime. This claim is impaired under the plan.

Class 3

The claim held by Citimortgage, (**hereafter, CITI**), (Proof of Claim No. # 4-1), for post petition escrow advances made in connection with 6 Woodland Ave., Port Chester, NY, which as of June 24, 2016, are in the amount of \$17,893.91, shall be repaid pursuant to a Stipulated Order In Connection With Motion For Adequate Protection and Relief From the Automatic Stay entered into between the parties.

The Stipulated Order in it's entirety is hereby incorporated into and made a part of the Plan as if more fully set forth therein. The Stipulation provides as follows:

Payment of a lump sum of \$8,946.72 on or before June 28, 2016. Commencing July 1, 2016, in equal monthly installments of \$248.52 over a period of thirty-six (36) months without interest and continuing monthly thereafter until paid in full.

The Debtors agree that in the event any additional escrow advances are made up to the date of confirmation that said advances will be paid pursuant to this paragraph. This class is impaired under the plan and entitled to vote.

Class 4

The claim of JPMorgan Chase Bank, National Association (hereafter, "JPMorgan"), (Proof of Claim No.3-2), encumbering the property located 472 Ellendale Ave., Port Chester, NY, shall be paid on the secured portion of the claim which is in the amount of \$255,000.00, at 5.25 % interest per annum over a period of 30 years commencing on August 1, 2016, otherwise according to the terms and conditions provided in the original note and mortgage recorded June 21, 2000. The monthly mortgage payment of principal and interest shall be made in equal monthly installments of \$1,408.12, (not including taxes and insurance),

per month commencing August 1, 2016. The Debtors shall be responsible for paying taxes, (annually\$12,797.40/\$1,066.45 per mo.) and maintaining insurance (\$5,229.00 ann./\$435.75 per mo.), directly in connection with the property. The unsecured portion of the claim in the amount of \$154,477.40, shall be treated in Class 14 of the plan Until paid under the plan, JPMorgan, shall retain its lien. Nothing herein shall prevent the Debtors from paying the balance of the agreed secured debt as reduced by the payments made at any time during the term of the payments under the plan. This claim is impaired under the plan and is entitled to vote on the plan.

Class 5

The claim held by Ocwen Loan Servicing, LLC, (hereafter, Ocwen”), encumbering the property located 1175-1177 Park Ave., Bridgeport, CT, shall be paid pursuant to a Stipulation entered into between Ocwen and the Debtors on or about September 29, 2016. The Stipulation in it’s entirety is hereby incorporated into and made a part of the Plan as if more fully set forth herein. The Stipulation, provides that the allowed secured claim is \$235,000.00. The allowed secured claim shall be paid at 5.5% interest per annum over 20 years commencing on October 1, 2016. The balance of the claim in the amount of \$464,372.76, shall be treated as an unsecured claim in Class 14 with the other unsecured claims. The mortgage shall otherwise be paid according to the terms and conditions provided in the original note and mortgage recorded January 2, 2003. The monthly mortgage payment shall be made in equal monthly installments of \$1,616.54, per month. Upon entry of an order confirming the Plan, the Debtor’s loan shall be a

non-escrowing loan. The Debtors shall be responsible for paying real estate taxes(\$12,797.40/\$1,066.45 per mo.) and maintaining insurance, (\$5,229.00 annually/\$435.75 per mo.), directly in connection with the property. Until paid pursuant to the plan, Ocwen, shall retain it's lien. The Debtors may pay the balance of the agreed secured debt as reduced by the payments made at anytime. This claim is impaired under the plan and is entitled to vote.

Class 6

The claim of Ocwen, for escrow advances it has made up to the date of confirmation of the plan for real estate taxes and/or insurance payments which as of August 18, 2016, are in the amount of \$125,139.06, in connection with the property located at 1175-1177 Park Ave., Bridgeport, CT, shall be paid separately to Ocwen, pursuant to a Stipulation entered into between Ocwen and the Debtors on or about September 29, 2016. The Stipulation in it's entirety is hereby incorporated into and made a part of the Plan as if more fully set forth herein. These escrow advances shall be repaid commencing on October 1, 2016, in equal monthly installments of \$860.82, over a period of twenty (20) years at 5.5% interest and continuing monthly thereafter until paid in full. The Debtors agree that in the event any additional escrow advances are made up to the date of confirmation that said advances will be paid pursuant to this paragraph. This class is impaired under the plan and entitled to vote.

Class 7

The claim held by JPChase Morgan, (hereafter, Chase”), (Proof of Claim 2-1), encumbering the property located 125-129 Orchard St., Bridgeport, CT, shall be paid on the secured portion of the claim, which is in the amount of \$74,000.00 plus 5.25% interest per annum, over a period of 30 years commencing on November 1, 2016, otherwise according to the terms and conditions provided in the original note and mortgage recorded February 3, 2006. The monthly principal and interest payment shall be made in equal monthly installments of \$408.63 per month. The Debtor shall be responsible for paying taxes (\$6,781.36 annually./\$565.11 per mo.) and maintaining insurance, (\$1,813.76 annually/\$151.14), directly in connection with the property. Until paid under the plan, Chase shall retain its lien until the claim amount is paid in full. The Debtors may pay the balance of the agreed secured debt as reduced by the payments made at anytime. This claim is impaired under the plan and is entitled to vote.

Class 8

The claim held by HSBC Bank USA, National Association, ((hereafter, HSBC”). Based upon a 2nd mortgage encumbering the property located 125-129 Orchard St., Bridgeport, CT, shall be paid as an unsecured claim in Class 14 of the plan. No Proof of Claim has been filed on behalf of this claim. This claim is impaired under the plan and is entitled to vote.

Class 9

The claim held by H&R Block Bank a Federal Savings Bank, LLC, (hereafter,

H&R”), (Proof of Claim No. #5-1), encumbering the property located 940-946 Grand St., Bridgeport, CT, shall be paid pursuant to the Stipulation On Motion In Chapter 11 Case For Motion To Determine the Status of Claims. The Stipulation in it’s entirety shall be incorporated into and made a part of the Plan as if more fully set forth therein. The Stipulation provides that the secured portion of the claim which is in the amount of \$174,000.00, shall be paid at 4.25% interest per annum, over a period of 25 years commencing on October 1, 2016, otherwise according to the terms and conditions provided in the original note and mortgage recorded August 29, 2006. The monthly mortgage payment shall be made in equal monthly principal and interest installments of \$942.62, per month. The unsecured portion of the claim in the amount of \$113,884.04 shall be treated in Class 14 of the plan. The Debtors shall continue to escrow with the creditor for taxes and insurance related to the subject loan and property. Real estate taxes are \$8,971.20 annually/\$747.60 per mo. Insurance is \$3,371.88 annually/\$280.99 per mo. Until paid under the plan, H&R Block Bank shall retain its lien. The Debtors may pay the balance of the agreed secured debt as reduced by the payments made at anytime. This claim is impaired under the plan and is entitled to vote.

Class 10

The claim held by Sutherland Asset I, LLC, (hereafter, Sutherland”), (Proof of Claim No. #1-1), encumbering the property located 1220-1228 East Main St., Bridgeport, CT, shall be paid on the secured portion of the claim which is in the amount of \$170,000.00, plus interest of 5.625% interest per annum over a period of 13 years, otherwise according to the terms and conditions provided in the

original note and mortgage recorded October 6, 2004. The monthly mortgage payment shall be made in equal monthly installments of \$1,538.31 per month. The Debtors shall be responsible for paying and maintaining property insurance (\$6,080.16 ann./\$506.68 per mo.), directly in connection with the property. The Debtors shall continue to escrow with the creditor for taxes related to the subject loan and property. Real estate taxes are \$8,971.20 annually/\$747.60 per mo. Until paid under the plan, Sutherland shall retain its lien. The Debtors may pay the balance of the agreed secured debt as reduced by the payments made at anytime. This claim is impaired under the plan and is entitled to vote.

Class 11

Class 11 consists of the secured claim held by Santander Consumer USA, (hereafter, "Santander"), (No Proof of Claim filed), encumbering a 2014 KIA Sedona, owned by Sara Condori according to the original terms and conditions provided in the original contract. The monthly payment shall be made in equal monthly installments of \$621.23. Santander shall retain its lien. The Debtors may pay the balance of the secured debt as reduced by the payments made at anytime. This claim is not impaired under the plan.

Class 12

Class 12 consists of the claim held by Silverleaf Club, (hereafter, "Silverleaf"), (No Proof of Claim filed), encumbering the property located in Branson, Missouri. shall be paid on the secured portion of the claim which on the commencement date is in the amount of \$12,042.23, according to the original terms and conditions provided in the original contract. The

monthly payment shall be made in equal monthly installments of \$297.29 per month. Until paid under the plan, Silverleaf shall retain its lien. The Debtors may pay the balance of the agreed secured debt as reduced by the payments made at anytime. This claim is not impaired under the plan.

Unsecured Non Priority Claims

Class 13

Class 13 consists of the unsecured non priority claim of Alliance Laundry Systems, LLC, (Proof of Claim 6), which is in the total amount of \$35,478.71. The Debtors shall pay 1% of the total amount of the allowed claim in quarterly payments commencing on the effective date for five (5) years. This class is impaired by the plan and is entitled to vote.

Class 14

Class 14 consists of unsecured non priority claims, The claims in this class include those creditors reflected in the Debtors schedules, timely and allowed proofs of claims filed with the court and the unsecured claims of mortgagees by virtue of 506 Orders. The total amount of the claims in this class is \$861,859.48. The Debtors shall *pay 1%* of this class of claims over five (5). Payments to this class shall be made quarterly commencing on the effective date. This class is impaired by the plan and entitled to vote.

IV. FINANCIAL INFORMATION

A. Executory Contracts

All executory contracts not specifically assumed in the Plan or approved by the Court by pre-confirmation motion, shall be rejected by the confirmation of the Plan. The Debtor hereby assumes each of the residential lease(s) with each of it's tenants.

C. Means of Effectuation of the Plan and Plan funding

The Debtors, will manage and operate the income producing investment properties post confirmation for no consideration. Payments under the Plan will be made from the following sources: (i) Debtors monthly rental income generated by the Investment Properties in the amount of \$17,600.00; and (ii) Debtor's monthly income received in the amount of approximately \$5,617.86, from her employment at Greenwich Hospital.

D. Profit History and Projections

The Debtors plan to make payments to creditors from their income generated from the Investment Properties, and spouses employment, (See Five year Projections Statements, Exhibit "A1"). The underlying premise of the income to be generated is dependent on a variety of factors some of which are not under the Debtors control, including, but not limited to, the state of the economy. The Debtors reasonably expects that sufficient revenue will be generated in order for the Debtors to make the required payments under the Plan and that the Plan as proposed is in good faith and in the best interests of its creditors. The projections of the Debtors reflect that the plan is feasible. Creditors will receive not less than they would if the Debtors were to convert to a Chapter 7.

The Debtors has made the following changes to it's financial affairs since the filing:

- (i) Implemented new budgeting methods and management of it's financial affairs;
- (ii) Retained new legal counsel; and
- (iii) Increased business and household income.

The primary source of the information provided herein has been the Debtors.

TAX DEBTS

The Debtors have filed all required state and federal tax returns.

V. DISCHARGE

The Debtors are not entitled to a discharge upon confirmation. In order to obtain a discharge of the dischargeable debts in this case the Debtors shall after the completion of all payments provided for under the plan make an application to reopen these proceedings at no cost from this court for doing so requesting after notice and hearing an order of

discharge from this court of all dischargeable debts pursuant to 11 U.S.C. 1141(d)(5). Certain debts maybe nondischargeable pursuant to 11 U.S.C. Section 523 of the bankruptcy code.

VI. Certain Federal Income Tax Consequences of The Plan

a. Federal Income Tax Consequences to the Debtor

The tax consequences of the Plan to the Debtor is uncertain because there is uncertainty as to the amount of income that will be received. The Debtor will likely be subject to Federal and State income taxes, capital gains taxes and may be subject to other minimum taxes. Under the Plan, some creditors may not have their claims paid in full resulting in a discharge of indebtedness of the Debtor. Under the Internal Revenue Code of 1986 (the "Tax Code"), a taxpayer generally must include in gross income the amount of indebtedness discharged during the taxable year. Under Section 108 of the Tax Code, however, when the discharge of indebtedness is pursuant to a plan approved by the court in a case under Chapter 11 of the Bankruptcy Code, the amount of indebtedness is excluded from gross income. Instead, certain tax attributes of the Debtor are reduced by the amount of indebtedness discharged and excluded from income. The tax attributes to be reduced are: net operating losses, certain credit carryovers, capital loss carryovers, the basis of the taxpayer's property, and foreign tax credits.

b. Federal Income Tax Consequences to the Creditors

Generally, a creditor may realize and recognize gain or loss on the exchange of a claim in an amount equal to the difference between the holder's basis in the claim and the amount realized. Each creditor may recognize ordinary income to the extent it receives cash allocable to accrued interest income not previously included in their federal taxable income. Conversely, each creditor that had previously included accrued yet unpaid interest in their federal taxable income may recognize a loss to the extent such accrued unpaid interest is not paid in full. The proper allocation between principal and interest of amounts received for a claim not paid in full is unclear. Because the tax consequences of the Plan may vary based on individual circumstances, each holder of a claim is urged to

consult with its own tax advisor as to the consequences of the Plan to it under federal and applicable state and local tax laws.

IRS Circular 230 Notice: To ensure compliance with IRS Circular 230, holders of Claims and Equity Interests are hereby notified that: (A) any discussion of federal tax issues contained or referred to in this Disclosure Statement are not intended or written to be used, and cannot be used, by holders of Claims or Equity Interests for the purpose of avoiding penalties that may be imposed on them under the Tax Code; (b) such discussion is written in connection with the promotion or marketing by the Debtor of the transactions or matters addressed herein; and (c) holders of Claims and Equity Interests should seek advice based on their particular circumstances from an independent tax advisor.

Dated: October 4, 2016

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