

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT

IN RE: : CHAPTER 11  
ROBERT R. RICCIO and : CASE NUMBER 14-21188-AMN  
CATHERINE M. RICCIO :  
Debtors : June 10, 2016

**SECOND AMENDED DISCLOSURE STATEMENT**

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## I. INTRODUCTION

This is the disclosure statement (the “Disclosure Statement”) in the chapter 11 case of Robert R. and Catherine M. Riccio (the “Debtors”). This Disclosure Statement contains information about the Debtors and describes the Plan of Reorganization (the “Plan”) filed by the Debtors on \_\_\_\_\_. A full copy of the Plan is attached to this Disclosure Statement as **Exhibit B. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*** The proposed distributions under the Plan are discussed at pages 5 – 7 of this Disclosure Statement. Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

### A. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

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

#### 1. *Time and Place of the Hearing to Confirm the Plan*

The hearing at which the Court confirm the Plan will take place on \_\_\_\_\_, at \_\_\_\_:00 \_\_.m., at the United States Bankruptcy Court for the District of Connecticut, Hartford Division, 450 Main Street, 7<sup>th</sup> Floor, Hartford, Connecticut.

#### 2. *Deadline for Voting to Accept or Reject the Plan*

The deadline for voting to accept or reject the Plan is \_\_\_\_\_.

#### 3. *Deadline For Objecting to Confirmation of the Plan*

Objections to the confirmation of the Plan must be filed with the Court and served upon Debtors’ Counsel and the Office of the United States Trustee on or before \_\_\_\_\_.

#### 4. *Identity of Person to Contact for More Information*

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

Joel M. Grafstein, Esq.  
*jgrafstein@grafsteinlaw.com*  
Gregory F. Arcaro, Esq.  
*garcaro@grafsteinlaw.com*  
Grafstein & Arcaro, LLC  
10 Melrose Drive  
Farmington, CT 06032  
(860) 674-8003  
(860) 676-9168 Fax

**B. Disclaimer**

*The Court has approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.*

**II. BACKGROUND**

**A. Prior to Filing the instant Chapter 11 Case**

In 1984 Mr. Riccio started his painting company, primarily focused on residential interior and exterior painting. Mr. Riccio operated at a “dba” from 1984 until 1986 when Robert R. Riccio, Inc. (“Riccio, Inc.”) was incorporated. Beginning in approximately 1989, Riccio Inc. started to expand into commercial, industrial and church restoration painting. In approximately 2004 Riccio, Inc. began to expand its scope of work to contracting / general contracting. Beginning in approximately 2008 some of the larger accounts began to be late and eventually not pay when work was completed. After many years of struggling, bills eventually became unmanageable. The last of the Riccio, Inc. receivables were collected in December 2013 at which time Riccio, Inc. ceased business operations. Due to the slowdown in business in 2013, the Debtors were forced to seek Bankruptcy relief in 2014. Since January 2014, all new work has been performed under a new venture, Burlington Commercial Interiors, LLC.

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

During the pendency of this Bankruptcy case the Debtor’s business experienced an increase in revenue such that a meaningful dividend to unsecured creditors can be made through a Chapter 11 Plan.

**C. Projected Recovery of Avoidable Transfers**

The Debtors do not believe that there are any pre-petition or post-petition avoidable transfers. For this reason, the Debtors do not intend to pursue any preference, fraudulent conveyance, or other avoidance actions.

**D. Claims Objections**

The deadline for filing a proof of claim in this case was **January 29, 2015** (the “Claims Bar Date”). To the extent that a claim was filed on or before the Claims Bar Date, it shall be considered an allowed claim be entitled to payment under the Plan. Claims filed after Claims Bar Date, shall not be entitled to payment under the Plan. The Debtors shall file objections to claims on the Effective date of the Plan or thirty (30) days after the filing of such late filed claim, whichever occurs later.

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

**A. What is the Purpose of the Plan of Reorganization?**

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

**B. Unclassified Claims**

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

1. *Administrative Expenses*

Administrative expenses are costs or expenses of administering the Debtor’s chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtors in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment. The following chart lists the Debtors’ estimated administrative expenses and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$0.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	\$27,482.00 through June 10, 2016. (Unapproved as of the date hereof)	
Clerk’s Office Fees	\$0.00	Paid in full on the effective date of the Plan
Other administrative expenses	\$0.00	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	\$0.00	Paid in full on the effective date of the Plan
<b>TOTAL</b>	<b>\$27,482.00</b>	

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief pursuant to 11 U.S.C. §1129(a)(9). The following chart lists the Debtors’ estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

<b>Description (name and type of tax)</b>	<b>Amount Owed</b>	<b>Interest Rate</b>	<b>Treatment</b>
<b>Internal Revenue Service [See Claim 2-1 filed on April 29, 2015]</b>	\$37,660.27	4%	The Debtors will make a lump sum payment in the amount of \$5,418.00 on the effective date of the Plan. Thereafter this claim will be paid in full in equal monthly installments of \$1,083.60 per month commencing on September 14, 2016. The entire balance of the IRS claim, including any unpaid interest, shall be paid on June 14, 2019, if not already paid through monthly payments.

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

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

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor’s bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. The following chart lists all classes containing Debtors’ secured prepetition claims and their proposed treatment under the Plan:

<b><u>Class #</u></b>	<b><u>Description</u></b>	<b>Insider? (Yes or No)</b>	<b>Impairment</b>	<b>Treatment</b>
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<p>1</p>	<p><i>Secured claim of:</i> Webster Bank</p> <p><u>Collateral description:</u> 6 Cider Mill Road, Burlington, Connecticut</p> <p><u>Allowed Secured Amount:</u> \$898,208.31 [See Amended Proof of Claim dated April 1, 2016]</p> <p><u>Priority of lien:</u> First Priority</p>	<p>N</p>	<p>Impaired</p>	<p><b>Webster Bank has agreed to accept the following treatment through the Plan:</b></p> <p>(1) For the first seventy - two (72) months after the Effective Date of the Plan, the Debtors shall make monthly payments of \$7,885.81 per month to Webster Bank; and</p> <p>(2) After the initial seventy - two (72) monthly payments after the Effective Date of the Plan, for the remaining term of the Note, which matures on February 1, 2037, the Debtors shall pay the sum of \$ 6,724.00 per month to Webster Bank; and</p> <p>(3) In addition to the foregoing monthly payments, the Debtors will tender to Webster Bank a payment of \$7,604.00 on or before June 1, 2016 and a payment of \$7,604.00 on or before July 1, 2016.</p> <p>(4) The interest rate on Webster Bank’s claim shall remain as contractually agreed at 6.625%.</p> <p>(5) The payments noted in Paragraph (1) and (2) herein are subject to change due to annual escrow re-calculations.</p>
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2. *Classes of Priority Unsecured Claims*

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

The following chart lists all classes containing claims under §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code and their proposed treatment under the Plan:

Class #	Description	Impairment	Treatment
	None		

3. *Class of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. The following chart identifies the Plan’s proposed treatment of Class 2, which contain general unsecured claims against the Debtors:

Class #	Description	Status	Treatment
2	General Unsecured Class	Impaired	Allowed General Unsecured Claims shall be paid a dividend of 10% in equal quarterly payments over a period of 60 months. The total of all Class 2 Claims is \$549,511.82. Payments shall commence on the 1 <sup>st</sup> of the month following the Effective Date of the Plan described in Section 8.02 thereof, unless an objection to such claim has been filed. <u>Addendum A</u> to the Plan sets forth the proposed distribution schedule. The Debtors reserve the right, at their sole discretion, to pay a creditor their proposed dividend over a shorter period of time than 60 months. To the extent that a claim was deemed unsecured by virtue of the Court’s Order dated September 29, 2015, upon the entry of a Discharge pursuant to §1141(d)(5), such creditor shall tender to the Debtors a release, suitable for recording, of any security instrument deemed unsecured. Any claimants that will receive less than \$2,000.00 through the Plan shall be paid within sixty (60) days of the Effective Date of the Plan.

4. *Class of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company (“LLC”), the equity interest holders are the members. Finally, with respect to individuals who are the debtor, the Debtors are the equity interest holder.

The following chart sets forth the Plan’s proposed treatment of the class of equity interest holders:

<b>Class #</b>	<b>Description</b>	<b>Impairment</b>	<b>Treatment</b>
3	Debtors	Unimpaired	The Debtors shall retain their interest in the Property of the Estate subsequent to payment of Class 2.

**D. Means of Implementing the Plan**

1. *Source of Payments*

The Plan shall be funded by the Debtors’ future earnings as they are derived from Burlington Commercial Interiors, LLC. The Debtors will maintain the management of their property after confirmation of the Plan.

**E. Risk Factors**

The primary risk factor envisioned by the Debtors is their ability to earn money through the operation of Burlington Commercial Interiors, LLC. As stated previously herein, there have been times in the past that the business has been less than robust. At the current time, business is flourishing but it is possible that business is in a positive phase and thereby not a true indicator of future performance. In addition, several factors, including health, changes in the Debtors’ respective industry and markets, impact their ability to earn money through Burlington Commercial Interiors, LLC. Notwithstanding the foregoing, the Debtors do not anticipate any events that would negatively impact their ability to earn an income during the anticipated term of the Plan.

**F. Executory Contracts and Unexpired Leases**

The Debtors have no executory contracts or unexpired leases.



#### IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

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

##### A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met. In this case, the Plan Proponent believes that Class 1 (Webster Bank) and Class 2 (General Unsecured Creditors) are entitled to vote as they are the only impaired Classes. ***Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan.***

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

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

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

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

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

###### 2. *Treatment of Nonaccepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

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

### C. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in Chapter 7 liquidation.

As set forth in the attached Liquidation Analysis (Exhibit A), the Debtors own real property and personal property with a total value of \$719,467.86. The Debtors' real property located at 6 Cidermill Road, Burlington, Connecticut ("Cidermill") is subject to secured claims in the amount of a mortgage in the amount of \$1,364,904.50. Accordingly the Debtors' real property has no liquidation value. With regard to their Personal Property, the Debtors have asserted exemptions pursuant to 11 U.S.C. §522(b)(2) in the amount of \$42,635.00. As illustrated in the attached Liquidation Analysis (**Exhibit A**), after application the Debtors' exemptions, the liquidation value to that would be realized in a Chapter 7 would be \$46,832.86. Accordingly, Class 2 creditors would receive a maximum dividend of 8.52% in a case under Chapter 7 of the Bankruptcy Code. The Plan proposes to pay Class 2 creditors a dividend of 10%.

Explanatory notes regarding assets listed on the Debtors' schedules and Liquidation Analysis:

- (1) The Debtors' Schedule A filed on October 19, 2009 lists Cidermill with a value of \$630,000.00. On September 27, 2015, the Court found the value of this property to be \$630,000.00 [See ECF No. 69]. The value found by the Court is utilized in the Liquidation Analysis. Further, the Court found that various creditors held a security interest in Cidermill and determined the amounts of each claim and further determined the secured status as to each claim. Although the Internal Revenue Service filed a certificate of lien regarding Cidermill, no secured claim was filed in this case. The Internal Revenue Service maintains a priority unsecured claim and a general unsecured claim. See §III.B.2 and §III.B.3 respectively for treatment of those claims.
- (2) The Debtors utilized gross NADA values as of December 15, 2015 for each of the vehicles in the liquidation analysis. Actual liquidation value will likely be lower when costs of disposition and continued depreciation since that date are taken into account.
- (3) For liquidation purposes, Mr. Riccio's ownership interest in Burlington Commercial Interiors, LLC ("BCI") is valued at \$13,631.26 as of April 30, 2016. This value is was established by valuing the only saleable assets of BCI, which are the office equipment, office furniture and funds on deposit in the BCI checking account in the amount of \$12,631.26. The Debtors believe that this is an accurate reflection of the liquidation value of BCI despite its substantial revenue. BCI relies substantially on Mr. Riccio's personal services and personal contacts to generate revenue. In a Chapter 7 proceeding, the Estate could not realize the value of Mr. Riccio's personal services and contacts when liquidating the Debtor's interest in BCI to a third party.

**D. Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Plan calls for monthly payments to Class 2 creditors to begin on the first of the month following confirmation of the Plan. Payments to Class 2 creditors will be paid out of earnings received within the 30 days prior to the first payment from normal monthly cash flow. The Debtors' budget and the budget for BCI (**Exhibit C**). For this reason, no "lump sum" initial funding is necessary to begin making payments called for under the Plan. The Debtors are current with their US Trustee fees and will remain current with payments coming from normal monthly cash flow. The Debtors' sole administrative claim is their counsel fees to the Debtors' attorney, which have not been approved as of the date of this Disclosure Statement. Debtors' attorney has agreed to accept periodic payments from the Debtors only to the extent that it will not prevent them from making payments called for under the Plan.

BCI was organized under the laws of the State of Connecticut in August 2013 but did not operate in that year. BCI began operations in 2014 with gross revenue of \$643,061.00 and net profit of \$59,513.00. As demonstrated by the 2015 Profit and Loss Statement for BCI (**Exhibit D**), its gross revenue was \$862,203.52 and net profit was \$229,992.85. Mr. Riccio draws a salary averaging approximately \$11,000.00 per month. In addition to these earnings, Mrs. Riccio, BCI's only employee, draws a net salary of \$5,685.00.

BCI is family owned and operated business. Its owner, Robert Riccio, has more than 30 years' experience and enjoys an excellent reputation in Interior and Exterior Painting and Renovations. BCI takes pride in assuring neat, clean dependable service and quality workmanship in the following areas:

RESTORATION WORK

Steeple Work  
Structural Steel Painting  
Wall Care  
Architectural Coating  
Scaffolding  
Sand Blasting  
Lead Abatement  
Masonry Pointing

DECORATING AND PAINTING

Interior / Exterior Painting  
Decorative / Mural Painting  
Gold Leafing  
Waterproofing  
Structural / Carpentry Work / Demo  
Power Washing  
Asbestos Removal  
Statue Restoration / Painting

All phases of masonry and concrete repair.

All phases of commercial and industrial roofing/re-roofing and coatings.

All phases of gutters and valley installations.

Burlington Commercial Interiors, LLC also has an interior decorator on staff.

Burlington Commercial Interiors, LLC has found success in routinely mailing to Churches, Commercial Realtors and by references from previous clients. Burlington Commercial Interiors, LLC has a client base that extends many decades of repeat business. Currently Tilcon International and Domino's Corp are some of their larger clients. Burlington Commercial Interiors, LLC has a repeat business with many churches and have architects and realtors refer many clients.

Burlington Commercial Interiors, LLC has seen an upswing with business in the past couple years with our commercial accounts for example: Manufacturing companies moving to larger space which require renovation. Maintenance programs with Tilcon sprucing up all of their Asphalt and Concrete Plants, and maintenance building, etc. Domino's is requiring all franchises to remodel their stores. This required remodel will take place over the next few years. I work with several of their franchises and have remodeled stores in both Connecticut and New York. Burlington Commercial Interiors, LLC has experience renovating residential / assisted living facilities. Burlington Commercial Interiors, LLC has been working with a local architect and investor and should be starting another project sometime late summer. Many of Burlington Commercial Interiors, LLC church accounts are ones that owner, Robert Riccio, has performed work for over the past 30 years. Burlington Commercial Interiors, LLC currently has two previous accounts and one new church account we will be working for this summer.

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

The sole risk factors envisioned by the Debtors are their ability to earn money through operation of Burlington Commercial Interiors, LLC. Several factors, including health, changes in the Debtors' respective industry and markets, impact their ability to earn money through employment. Notwithstanding the foregoing, the Debtors do not anticipate any events that would negatively impact their ability to earn an income during the anticipated term of the Plan.

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

V. **EFFECT OF CONFIRMATION OF PLAN**

A. **DISCHARGE OF DEBTORS**

Discharge. Confirmation of the Plan does not discharge any debt provided for in the Plan until the court grants a discharge on completion of all payments under the Plan, or as otherwise provided in § 1141(d)(5) of the Code. Debtors will not be discharged from any debt excepted from discharge under § 523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

B. **Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

Upon request of the Debtors, the United States trustee, or the holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.

**C. Final Decree**

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

Respectfully submitted,  
THE PLAN PROPONENTS:

/s/ Robert Riccio  
Robert R. Riccio

/s/ Catherine Riccio  
Catherine M. Riccio

GRAFSTEIN AND ARCARO, LLC

By /s/ Gregory F. Arcaro  
Gregory F. Arcaro, Esq.  
Joel M. Grafstein, Esq.  
Attorneys for Debtors in Possession

**EXHIBITS**

**Exhibit A**

**Liquidation Analysis**

<b>Asset</b>	<b>Gross Value</b>	<b>Liquidation Value</b>
6 Cidermill Road, Burlington CT	\$630,000.00	
Less Secured Claim	(\$1,364,904.50)	\$0.00
Bank Accounts	\$25.00	
Less Exemption	(\$25.00)	\$0.00
Clothing	\$800.00	
Less Exemption	(\$800.00)	\$0.00
Engagement Ring	\$2,000.00	
Less Exemption	(\$2,000.00)	\$0.00
Term Life Insurance Policies	\$0.00	
		\$0.00
Household Furnishings	\$15,000.00	
Less Exemption	(\$15,000.00)	\$0.00
Robert R. Riccio, Inc.	\$0.00	
	\$0.00	\$0.00
Burlington Commercial Interiors, LLC	\$13,631.36	
Less Exemption	(\$1,000.00)	\$12,631.36
2006 BMW X3	\$8,285.00	
		\$8,285.00
2009 Mercedes Benz ML 350	\$16,435.00	
Less Exemption	(\$16,435.00)	\$0.00
2004 BMW X3	\$4,341.00	
		\$4,341.00
2007 Chevy Tahoe K1	\$11,878.00	
		\$11,878.00
2005 Ford F350	\$7,773.00	
		\$7,773.00
1979 Jeep CJ5	\$7,375.00	
Less Exemption	(\$7,375.00)	\$0.00
2011 Carry Trailer 6 x 12	\$1,924.50	
		\$1,924.50
		<b>Liquidation Value of Debtors' Assets</b>
		\$46,832.86
<b>Percentage of Claims Which Unsecured Creditors</b>		
<b>Would Receive Or Retain in a Chapter 7 Liquidation:</b>		<b>8.52%</b>
<b>Percentage of Claims Which Unsecured Creditors</b>		
<b>Will Receive or Retain under the Plan:</b>		<b>10.00%</b>

**Exhibit B**  
Copy of Proposed Plan of Reorganization



UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT

IN RE: : CHAPTER 11  
ROBERT R. RICCIO and : CASE NUMBER 14-21188-AMN  
CATHERINE M. RICCIO :  
Debtors : June 10, 2016

**SECOND AMENDED PLAN OF REORGANIZATION**  
**ARTICLE I:**  
**SUMMARY**

This Plan of Reorganization (the “Plan”) under chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of Robert R. Riccio and Catherine M. Riccio (the “Debtors”) from future earnings. This Plan provides for classes of secured claims and class of unsecured claims. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately \$.10 cents on the dollar. This Plan also provides for the payment of administrative claims. Administrative claims will be paid in full in cash on the effective date of the Plan or in a manner in which the holder of each administrative claimant has agreed. All creditors should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

**ARTICLE II**  
**CLASSIFICATION OF CLAIMS AND INTERESTS**

- |      |                           |   |
|------|---------------------------|---|
| 2.01 | <u>§507(a)(8) Claims.</u> | Internal Revenue Service                            |
| 2.02 | <u>Class 1.</u>           | Secured Claim of Webster Bank                       |
| 2.03 | <u>Class 2.</u>           | All unsecured claims allowed under §502 of the Code |
| 2.04 | <u>Class 3.</u>           | Interests of the Debtors in property of the Estate. |

**ARTICLE III:  
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, U.S. TRUSTEES FEES,  
 AND PRIORITY TAX CLAIMS**

3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid in full in the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

**ARTICLE IV:  
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.01 Claims and interests shall be treated as follows under this Plan:

Class	Impairment	Treatment
<u>Priority Class:</u> (§507(a)(8) only)  <b>Internal Revenue Service</b> <b>[See Claim 2-1 filed on April 29, 2015]</b>  \$37,660.27	N/A	The Debtors will make a lump sum payment in the amount of \$5,418.00 on the effective date of the Plan. Thereafter this claim will be paid in full in equal monthly installments of \$1,083.60 per month commencing on September 14, 2016. The entire balance of the IRS claim, including any unpaid interest, shall be paid on June 14, 2019, if not already paid through monthly payments.

<p>Class 1 – Secured Claim of Webster Bank</p>	<p>Impaired</p>	<p><b>Webster Bank has agreed to accept the following treatment through the Plan:</b></p> <p>(1) For the first seventy - two (72) months after the Effective Date of the Plan, the Debtors shall make monthly payments of \$7,885.81 per month to Webster Bank; and</p> <p>(2) After the initial seventy - two (72) monthly payments after the Effective Date of the Plan, for the remaining term of the Note, which matures on February 1, 2037, the Debtors shall pay the sum of \$ 6,724.00 per month to Webster Bank; and</p> <p>(3) In addition to the foregoing monthly payments, the Debtors will tender to Webster Bank a payment of \$7,604.00 on or before June 1, 2016 and a payment of \$7,604.00 on or before July 1, 2016.</p> <p>(4) The interest rate on Webster Bank’s claim shall remain as contractually agreed at 6.625%.</p> <p>(5) The payments noted in Paragraph (1) and (2) herein are subject to change due to annual escrow re-calculations.</p>
<p>Class 2- General Unsecured Creditors</p>	<p>Impaired</p>	<p>Allowed General Unsecured Claims shall be paid a dividend of 10% in equal quarterly payments over a period of 60 months. The total of all Class 2 Claims is \$549,511.82. Payments shall commence on the 1<sup>st</sup> of the month following the Effective Date of the Plan described in Section 8.02 thereof, unless an objection to such claim has been filed. <u>Addendum A</u> to the Plan sets forth the proposed distribution schedule. The Debtors reserve the right, at their sole discretion, to pay a creditor their proposed dividend over a shorter period of time than 60 months. To the extent that a claim was deemed unsecured by virtue of the Court’s Order dated September 29, 2015, upon the entry of a Discharge pursuant to §1141(d)(5), such creditor shall tender to the Debtors a release, suitable for recording, of any security instrument deemed unsecured. Any claimants that will receive less than \$2,000.00 through the Plan shall be paid within sixty (60) days of the Effective Date of the Plan.</p>

Class 3 – Interest of the Debtor in the assets of the Estate	Unimpaired	The Debtors shall retain their interest the Property of the Estate subsequent to the payment in full of Class 2.
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**ARTICLE V:  
ALLOWANCE AND DISALLOWANCE OF CLAIMS**

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

**ARTICLE VI:  
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

6.01 The Debtors have no executory contracts or unexpired leases.

**ARTICLE VII:  
MEANS FOR IMPLEMENTATION OF THE PLAN**

7.01 Funding of the Plan. The Plan shall be funded by the Debtors' future earnings.

**ARTICLE VIII:  
GENERAL PROVISIONS**

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

8.02 Effective Date of Plan. The effective date of this Plan is the 15<sup>th</sup> business day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

## **ARTICLE IX** **DISCHARGE**

9.01. Discharge. Confirmation of this Plan does not discharge any debt provided for in this Plan until the court grants a discharge on completion of all payments under this Plan, or as otherwise provided in § 1141(d)(5) of the Code. The Debtor will not be discharged from any debt excepted from discharge under § 523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

Respectfully submitted,  
THE PLAN PROPONENTS:

/s/ Robert Riccio  
Robert R. Riccio

/s/ Catherine Riccio  
Catherine M. Riccio

GRAFSTEIN AND ARCARO, LLC

By /s/ Gregory F. Arcaro  
Gregory F. Arcaro, Esq.  
Joel M. Grafstein, Esq.  
Attorneys for Debtors in Possession

**Addendum A**

**Unsecured Creditor Payment List**

<b><u>Claim No.</u></b>	<b><u>Total Claim</u></b>	<b><u>Creditor Name</u></b>	<b><u>Total Payment</u></b>	<b><u>Qtr.Payment</u></b>
1	\$5,681.01	Discover Bank	\$568.10	*
3	\$13,947.68	Springleaf	\$1,394.77	*
4	\$184,937.76	Webster Bank	\$18,493.78	\$924.69
5	\$45,767.20	Travelers	\$4,576.72	\$228.84
7	\$199,408.39	Webster Bank	\$19,940.84	\$997.04
8	\$8,183.80	C&A Distributors	\$818.38	*
9	\$9,229.08	Liberty Mutual	\$922.91	*
10	\$4,910.31	Binswanger Glass	\$491.03	*
11	\$12,249.91	Portfolio Recovery	\$1,224.99	*
12	\$985.55	Portfolio Recovery	\$98.56	*
13	\$1,300.65	Green Tree Servicing	\$130.07	*
14	\$1,308.48	CVI Loan GT Trust	\$130.85	*
15	\$61,602.00	Mill Pond Village	\$6,160.20	\$308.01
<b>Total Claims</b>	<b>\$549,511.82</b>	<b>Paid Through Plan</b>	<b>\$54,951.18</b>	
		<b>Quarterly Payments</b>		<b>\$2,458.58</b>

**\* These Claimholders shall be paid within sixty (60) days of the Effective Date of the Plan**

**Exhibit C**  
12 Month Budgets  
(Personal and Business)

**Robert and Catherine Riccio**  
Chapter 11 Case No. 14-21188 amn

**12-MONTH PROJECTION - Personal**

	2016												DI
	JUNE		JUL		AUG		SEPT		OCT		NOV		
	INC	EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP	
Catherine - Wages	5,685		5,685		5,685		5,685		5,685		5,685		5,685
Robert - Draws	9,000		9,000		8,500		19,000		10,000		10,000		12,500
US Trustee Fees		(650)						(650)					
Mortgage/Property Taxes		(7,886)		(7,886)		(7,886)		(7,886)		(7,996)		(7,886)	
Property Insurance		(352)		(352)		(352)		(352)		(352)		(352)	
Auto Insurance		(674)		(674)		(674)		(674)		(674)		(674)	
Life Insurance		(404)		(404)		(404)		(404)		(404)		(404)	
Health Insurance		(50)		(50)		(50)		(50)		(50)		(50)	
Home Maintanance		(500)		(500)		(500)		(450)		(450)		(400)	
Utilities		(500)		(550)		(650)		(600)		(500)		(550)	
Internet and Cable		(212)		(217)		(217)		(217)		(217)		(217)	
Cell Phone		(115)		(115)		(115)		(115)		(115)		(115)	
Clothing/Laundry/Dry Cleaning		(160)		(160)		(160)		(160)		(160)		(160)	
Food		(1,200)		(1,400)		(1,400)		(1,200)		(1,200)		(1,200)	
Personal Care		(60)		(60)		(60)		(60)		(60)		(60)	
Medical/Dental		(55)		(55)		(55)		(55)		(55)		(55)	
Transportation (Fuel/Maintenance)		(250)		(250)		(250)		(250)		(250)		(250)	
Legal/Accounting		(650)		(650)		(650)		(650)		(650)		(650)	
IRS Plan Payments								(5,418)		(1,084)		(1,084)	
Plan - Gen Unsecured								(4,918)					
<b>I&amp;E TOTALS</b>	14,685	(13,718)	14,685	(13,323)	14,185	(13,423)	24,685	(24,109)	15,685	(14,217)	15,685	(14,107)	18,185
<b>MONTHLY CUSHION</b>	<b>967</b>		<b>1,362</b>		<b>762</b>		<b>576</b>		<b>1,468</b>		<b>1,578</b>		<b>71</b>



2017										
EC	JAN		FEB		MAR		APR		MAY	
EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP
	5,685		5,685		5,685		5,685		5,685	
	10,500		10,500		12,000		10,250		10,500	
(650)						(650)				
(7,886)		(7,886)		(7,886)		(7,886)		(7,886)		(7,886)
(352)		(352)		(352)		(352)		(352)		(352)
(674)		(674)		(674)		(674)		(674)		(674)
(404)		(404)		(404)		(404)		(404)		(404)
(50)		(50)		(50)		(50)		(50)		(50)
(350)		(375)		(500)		(375)		(500)		(450)
(650)		(800)		(800)		(700)		(500)		(500)
(217)		(217)		(217)		(217)		(217)		(217)
(115)		(115)		(115)		(115)		(115)		(115)
(160)		(160)		(160)		(160)		(160)		(160)
(1,400)		(1,200)		(1,200)		(1,200)		(1,200)		(1,200)
(60)		(60)		(60)		(60)		(60)		(60)
(55)		(55)		(55)		(55)		(55)		(55)
(250)		(250)		(250)		(250)		(250)		(250)
(650)		(650)		(650)		(650)		(650)		(650)
(1,084)		(1,084)		(1,084)		(1,084)		(1,084)		(1,084)
(2,459)						(2,459)				
(17,466)	16,185	(14,332)	16,185	(14,457)	17,685	(17,341)	15,935	(14,157)	16,185	(14,107)
9	1,853		1,728		344		1,778		2,078	

**Robert and Catherine Riccio**  
Chapter 11 Case No. 14-21188 amn

**12 Month Projection**  
**Burlington Commercial Interiors, LLC**

	2016															
	JUN		JUL		AUG		SEPT		OCT		NOV		DEC		JAN	
	INC	EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP	INC	EXP
INCOME	125,000		95,000		140,000		50,000		135,000		105,000		55,000		70,000	
MATERIALS		(40,000)		(25,650)		(42,000)		(12,000)		(40,500)		(26,250)		(11,500)		(18,900)
SUBCONTRACT		(37,000)		(27,550)		(37,800)		(10,500)		(37,800)		(25,200)		(10,000)		(17,500)
EQUIP. RENTAL		(1,375)		(1,500)		(2,300)		(750)		(2,500)		(1,750)		(500)		(1,500)
WAGES		(11,500)		(8,880)		(10,705)		(8,880)		(10,705)		(9,230)		(8,880)		(8,880)
AUTO EXP.		(1,500)		(550)		(2,300)		(650)		(1,550)		(1,000)		(850)		(550)
DUES/SUBS						(250)						(250)				
UTILITIES		(1,600)		(1,225)		(900)		(1,450)		(450)		(670)		(1,600)		(1,225)
INSURANCE		(4,638)		(3,547)		(3,547)		(3,547)		(3,547)		(3,547)		(4,638)		(3,547)
OFFICE		(550)		(300)		(150)		(400)		(100)		(175)		(550)		(300)
TELEPHONE		(583)		(583)		(583)		(583)		(583)		(583)		(583)		(583)
P/R TAXES		(3,945)		(3,215)		(3,853)		(3,215)		(3,853)		(3,322)		(3,215)		(3,215)
DUMPSTER FEES		(1,430)		(1,000)		(1,430)		(600)		(550)		(675)		(1,430)		(1,000)
HEALTH INSURANCE		(1,731)		(1,731)		(1,731)		(1,731)		(1,731)		(1,731)		(1,731)		(1,731)
MISCELLANEOUS		(425)		(250)		(350)		(200)		(350)		(250)		(425)		(250)
LEGAL & ACCOUNTING		(300)		(450)		(450)		(450)		(500)		(450)		(300)		(450)
<b>I&amp;E TOTALS</b>	125,000	(106,577)	95,000	(76,431)	140,000	(108,349)	50,000	(44,956)	135,000	(104,719)	105,000	(75,083)	55,000	(46,202)	70,000	(59,631)
<b>MONTHLY NOI</b>	<b>18,424</b>		<b>18,569</b>		<b>31,651</b>		<b>5,044</b>		<b>30,281</b>		<b>29,917</b>		<b>8,798</b>		<b>10,369</b>	

<b>NOI</b>	<b>187,459</b>
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2017							
FEB		MAR		APR		MAY	
INC	EXP	INC	EXP	INC	EXP	INC	EXP
60,000		75,000		50,000		75,000	
	(16,200)		(20,000)		(12,500)		(20,000)
	(15,000)		(18,500)		(10,500)		(18,500)
	(2,300)		(750)		(2,500)		(750)
	(8,880)		(8,880)		(8,880)		(9,230)
	(2,300)		(650)		(1,550)		(1,000)
	(250)						(250)
	(900)		(1,450)		(450)		(670)
	(3,547)		(3,547)		(3,547)		(3,547)
	(150)		(400)		(100)		(175)
	(583)		(583)		(583)		(583)
	(3,215)		(3,215)		(3,215)		(3,215)
	(800)		(600)		(550)		(675)
	(1,731)		(1,731)		(1,731)		(1,731)
	(350)		(200)		(350)		(250)
	(450)		(450)		(500)		(450)
60,000	(56,656)	75,000	(60,956)	50,000	(46,956)	75,000	(61,026)
<b>3,344</b>		<b>14,044</b>		<b>3,044</b>		<b>13,974</b>	

**Exhibit D**

Burlington Commercial Interiors, LLC  
2015 Profit and Loss Statement

BURLINGTON COMMERCIAL INTERIORS LLC  
 Income Statement  
 For the Twelve Months Ending December 31, 2015

	Current Month		Year to Date	
<b>Revenues</b>				
INCOME	\$ 862,203.52	92.33	\$ 862,203.52	92.33
INCOME-NEW YORK	71,625.80	7.67	71,625.80	7.67
<b>Total Revenues</b>	<u>933,829.32</u>	<u>100.00</u>	<u>933,829.32</u>	<u>100.00</u>
<b>Cost of Sales</b>				
MATERIALS PURCHASED	199,070.75	21.32	199,070.75	21.32
PERMITS	867.10	0.09	867.10	0.09
SUBCONTRACT	228,539.41	24.47	228,539.41	24.47
EQUIPMENT RENTAL	28,598.53	3.06	28,598.53	3.06
<b>Total Cost of Sales</b>	<u>457,075.79</u>	<u>48.95</u>	<u>457,075.79</u>	<u>48.95</u>
<b>Gross Profit</b>	<u>476,753.53</u>	<u>51.05</u>	<u>476,753.53</u>	<u>51.05</u>
<b>Expenses</b>				
WAGES	73,402.13	7.86	73,402.13	7.86
AUTO EXPENSE	45,287.36	4.85	45,287.36	4.85
DUES & SUBSCRIPTIONS	791.50	0.08	791.50	0.08
LICENSES	220.00	0.02	220.00	0.02
UTILITIES	8,853.73	0.95	8,853.73	0.95
EMPLOYEE BENEFITS	47.62	0.01	47.62	0.01
INSURANCE-GENERAL	58,921.27	6.31	58,921.27	6.31
LEGAL & ACCTG	8,586.00	0.92	8,586.00	0.92
MISCELLANEOUS	809.93	0.09	809.93	0.09
OFFICE EXPENSE	6,100.96	0.65	6,100.96	0.65
OUTSIDE SVCS-RUBBISH	8,524.32	0.91	8,524.32	0.91
REPAIRS & MAINTENANCE	493.25	0.05	493.25	0.05
SMALL TOOLS	7,693.00	0.82	7,693.00	0.82
TAXES-FICA & WH	5,615.31	0.60	5,615.31	0.60
TAXES-STATE U/C	2,155.37	0.23	2,155.37	0.23
TAXES-FEDERAL U/C	126.00	0.01	126.00	0.01
TAXES-OTHER	250.00	0.03	250.00	0.03
FINES & PENALTIES	25.00	0.00	25.00	0.00
TELEPHONE/INTERNET EXP	14,713.15	1.58	14,713.15	1.58
TRAVEL EXPENSES	4,144.78	0.44	4,144.78	0.44
<b>Total Expenses</b>	<u>246,760.68</u>	<u>26.42</u>	<u>246,760.68</u>	<u>26.42</u>
<b>Net Income</b>	<u>\$ 229,992.85</u>	<u>24.63</u>	<u>\$ 229,992.85</u>	<u>24.63</u>