

UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
NEW HAVEN DIVISION

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	:	
In re:	:	CHAPTER 11
	:	
LONG BROOK STATION, LLC	:	CASE NO. 14-31095 (AMN)
	:	
Debtor.	:	
_____	x	

SIXTH AMENDED DISCLOSURE STATEMENT

On June 6, 2014 (the “Petition Date”), Long Brook Station, LLC (the “Company”), a Connecticut limited liability company, filed a voluntary petition for reorganization pursuant to Chapter 11 of the United States Code (the “Code”) with the United States Bankruptcy Court for the District of Connecticut (the “Court”). The Company has filed, together with this Sixth Amended Disclosure Statement, its proposed Sixth Amended Plan of Reorganization (the “Plan”). Pursuant to Section 1125 of the Code, the Company has prepared and filed this Disclosure Statement (the “Statement”) along with the Plan for the Court’s approval for submission to the holders of claims and interests with respect to the Company and its assets. The purpose of this Statement is to provide the holders of claims against or interests in the Company with adequate information about the Company and the Plan to make an informed judgment about the merits of approving the Plan.

NO REPRESENTATIONS CONCERNING THE COMPANY (PARTICULARLY AS TO THE VALUE OF ITS PROPERTY) ARE AUTHORIZED BY THE COMPANY OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN WHICH ARE 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 COMPANY 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.

**I.
GENERAL HISTORY**

Long Brook Station, LLC was organized on February 27, 2014 for the purpose of developing certain real property consisting of a lot located at 3044 Main Street in Stratford, Connecticut (the “Property”). The Property was conveyed to the Company on May 15, 2014.

There is a first mortgage covering the Property, held by Manuel Moutinho, Trustee (the “Trustee”) for Mark IV Construction Co. Inc., which mortgage secures the original principal amount of \$500,000 (the “Moutinho Mortgage”). The Moutinho Mortgage is behind (i) real estate tax liens held by the State Tax Collection Agency, LLC (“STCA”) amounting, in the aggregate, to approximately \$42,298.10 through May 31, 2016 and (ii) sewer use and real estate tax liens held by the Town of Stratford. The Trustee commenced a foreclosure action on the Property in 2010 and obtained a judgment of foreclosure on April 14, 2014. The action is pending in the Connecticut Superior Court, Judicial District of Waterbury. Prior to the Petition Date, the Company merged with DAD Associates, Inc., another Connecticut entity owned by the Company’s principal. The Company filed its petition for Chapter 11 relief to enable the Company to restructure its debt and create the most value for it and its creditors.

II.
EVENTS SINCE THE PETITION DATE

After the Petition Date, the Trustee filed a motion for relief from stay or for payment of adequate protection. In response to the motion, the Company and the Trustee reached an agreement, which has been entered as an order of the Court, under which the Company agreed to pay the Trustee \$3,750 per month as adequate protection, maintain insurance on the Property, and make monthly payments regarding the Company's ongoing tax obligations. The Company has made the adequate protection payments to the Trustee required by the order.

By motion dated October 17, 2014, the Company sought an order from the Court to determine the secured status of the liens on the Property. By order dated April 13, 2015, the Court, pursuant to Section 506(a) of the Bankruptcy Code, disallowed and voided all liens on the Property as of the Petition Date other than the STCA and the Town of Stratford tax liens and the Moutinho Mortgage.

The Court established October 6, 2014 as the last date upon which creditors could file timely claims against the Company. Seventeen claims were filed by creditors on or before October 6, 2014 including a claim by the Trustee in the amount of \$647,961.91.

The Company listed some claims as disputed, unliquidated, or contingent (the "Disputed Claims") on its bankruptcy schedules filed on July 29, 2016. The Court issued a Notice of Disputed, Contingent, or Unliquidated Claim and Notice of Deadline for Filing Proof of Claim which was mailed to all holders of Disputed Claims on May 9, 2016 advising these claim holders, *inter alia*, that they may not receive any distribution pursuant to the Plan if they fail to file a proof of claim on or before June 30, 2016.

On January 23, 2017, the Company filed a Motion to Approve Compromise seeking a court order approving a proposed settlement of the Company's tax appeal of the October 1, 2015

tax assessment from the Town of Stratford. If the proposed settlement is approved, the pending tax liens and claims of the Town of Stratford will be satisfied from the tax reductions associated with the reduced tax assessment. The Plan contemplates court approval of the settlement with the Town and the granting of the Motion to Approve Compromise.

Since the Petition Date, the Company has continued its efforts to develop the Property. As noted in Section V herein, these efforts have resulted in a short term lease for the Property at \$3,000 per month and zoning approval from the Town of Stratford for the development of thirty-nine (39) market rate and affordable housing units on the Property.

III. PRE-PETITION DEBT

The following claims were taken from the Company's schedules and from the proofs of claims filed. Where they conflict, the amounts from the proofs of claim have been used.

A. Secured Claims

1. 3044 Main Street, Stratford

a. State Tax Collection Agency for the tax liens assigned to it by the Town of Stratford as follows:

- i. Real Estate Tax Lien for the list of October 1, 2007 by the Town of Stratford in the principal amount of \$3,552.74, dated and recorded April 7, 2009 in Volume 3271, Page 18, as assigned to STCA via instrument dated November 30, 2011 and recorded December 1, 2011 in Volume 3527, Page 326, all of the Stratford Land Records;
- ii. Real Estate Tax Lien for the list of October 1, 2008 by the Town of Stratford in the principal amount of \$4,522.44, dated and recorded April 7, 2010 in Volume 3371, Page 183, as assigned to STCA via

instrument dated November 30, 2011 and recorded December 1, 2011 in Volume 3527, Page 326, all of the Stratford Land Records;

- iii. Real Estate Tax Lien for the list of October 1, 2009 by the Town of Stratford in the principal amount of \$4,102.70, dated and recorded April 27, 2011 in Volume 3473, Page 171, as assigned to STCA via instrument dated November 30, 2011 and recorded December 1, 2011 in Volume 3527, Page 326, all of the Stratford Land Records;
- iv. Real Estate Tax Lien for the list of October 1, 2010 by the Town of Stratford in the principal amount of \$2,102.45, dated and recorded June 8, 2012 in Volume 3583, Page 1, as assigned to STCA via instrument dated July, 2012 and recorded September 27, 2012 in Volume 3617, Page 212, all of the Stratford Land Records;

(collectively, the “Assigned Tax Liens”). The alleged aggregate amount due STCA through December 31, 2016 on the Assigned Tax Liens is approximately \$40,617.59.

- b. The Town of Stratford for real estate taxes:
 - i. \$5,440.83 (2012 Grand List); and
 - ii. The Town of Stratford for real estate tax lien in the principal amount of \$4,245.52 for the 2011 Grand List, which lien was dated and included on May 21, 2013 at Volume 3694, Page 2 of the Stratford Land Records.
- c. The Town of Stratford for sewer use liens on the Property as follows:
 - i. Sewer use lien for the 2007 list in the amount of \$250.00, which

lien was dated and recorded on April 7, 2009 at Volume 3271, Page 39 of the Stratford Land Records;

ii. Sewer use lien for the 2008 list in the amount of \$500.00, which lien was dated and recorded on April 7, 2010 at Volume 3371, Page 222 of the Stratford Land Records;

iii. Sewer use lien for the 2009 list in the amount of \$560.00, which lien was dated and recorded on April 27, 2011 at Volume 3473, Page 210 of the Stratford Land Records;

iv. Sewer use liens for the 2010 list in the amount of \$560.00, which lien was dated and recorded on June 8, 2012 at Volume 3583, Page 60 of the Stratford Land Records;

v. Sewer use liens for the 2011 list in the amount of \$750.00, which lien was dated and recorded on May 21, 2013 at Volume 3694, Page 59 of the Stratford Land Records.

d. The Trustee for a first mortgage on the Property;

e. Dean Moccia, Landbank Investments, LLC for a second mortgage securing the original principal amount of \$300,000;

f. Rio, Inc. for a third mortgage securing the original principal amount of \$5,000;

g. 1794 Barnum Avenue, Inc. for a fourth mortgage securing the original principal amount of \$5,000;

h. Oronoque 15, LLC for a fifth mortgage securing the original principal amount of \$5,000;

- i. Albina Pires for a sixth mortgage securing the original principal amount of \$1,500;
- j. Gus Curcio, Jr. for a seventh mortgage securing the original principal amount of \$1,000;
- k. Robin Cummings for an eighth mortgage securing the original principal amount of \$800;
- l. Joseph Regensburger for a ninth mortgage securing the original principal amount of \$5,000;
- m. Cell Phone Club, Inc. for a tenth mortgage securing the original principal amount of \$1,000;
- n. Out Law Boxing Kats, Inc. for an eleventh mortgage securing the original principal amount of \$1,000;
- o. Millionair Club, Inc. for a twelfth mortgage securing the original principal amount of \$1,000;
- p. City Streets, Inc. for a thirteenth mortgage securing the original principal amount of \$1,000;
- q. Estate of Jaye Kish for a fourteenth mortgage securing the original principal amount of \$500;
- r. Richard Urban for a fifteenth mortgage securing the original principal amount of \$1,200; and
- s. Dahill Donofrio for a sixteenth mortgage securing the original principal amount of \$2,000;

B. Priority Claims. Section 507(a)(8) of the Bankruptcy Code.

1. These are claims held by the Town of Stratford for unpaid real estate taxes and sewer use fees that accrued prior to the Petition Date.

C. Unsecured Debt

As of the date of this Statement, there are approximately twenty-two unsecured creditors, including the junior lien holders described above in Paragraphs 1(e) – 1(s), with claims in the aggregate approximate amount of \$1,800,000.

D. Equity Security Holders

Joseph Regensburger is the sole owner of the equity of the estate.

**IV.
THE PLAN OF REORGANIZATION**

A. Definitions

1. **Code:** Code shall mean the Bankruptcy Reform Act of 1978 which has been codified as Title 11 of the United States Code.

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

3. **Court:** Court shall mean the United States Bankruptcy Court for the District of Connecticut 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 or, if such an appeal has been taken, the first business day following the date upon which such appeal has been exhausted and the Plan may proceed.

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

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

a. **Voting**

In order to obtain confirmation of the Plan by the Court, the Plan must be accepted by the Creditors of Classes 1, 3 and 4, assuming that their claims are allowed. Of those creditors in Classes 1, 3 and 4 who have allowed claims and actually vote on the Plan, creditors holding at least two-thirds in dollar amount of the allowed claims and who constitute more than one-half in number of such voting creditors must vote for the Plan in order for the Plan to be confirmed.

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. Creditors within a class vote as part of a class.

b. **Cram Down**

If any class should fail to accept the Plan by the required majority, the Court may, under Section 1129(b) of the Code, nonetheless confirm the Plan if at least one impaired class has accepted the Plan and the Court finds that the Plan does not discriminate unfairly and is fair and equitable with respect to any impaired class which has not accepted the Plan. A plan is “fair and equitable” within the meaning of this section if it provides as to a dissenting class of secured creditors, retention of the lien securing the claim in the allowed amount of the claim, and payment of 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. As to a dissenting class of unsecured creditors, a Plan is “fair and equitable” if it receives property of a value, as of the effective date of the Plan, equal to the allowed amount of its claims, or 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.” 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 Company intends to invoke these “cram down” provisions against any class, secured or unsecured, that fails to accept the Plan.

To the extent that the word “impaired” is used, impaired is defined in Section 1124 of the Bankruptcy Code 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.”

B. The major objectives of the Company’s Plan of Reorganization are:

1. Payment to and protection of the interests of the secured creditors;
2. Payment of all obligations to the taxing authorities;
3. Payment of all priority and administrative claims;
4. Payment of an amount to unsecured creditors that is not less than such creditors

would receive in the event that the Company was liquidated 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 Company's 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 that 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 was filed, except in those instances where the schedules reflect that the Creditor's claim is a Disputed Claim. As noted previously, holders of Disputed Claims have until June 30, 2016 to file a Proof of Claim. In the case where objections to claims have been made by the Company, payments will be made in accordance with the Plan upon a final decision by the Court as the allowed amount. Where a Proof of Claim is filed in an amount which is different from that set forth in the Company's schedules, or is filed as a claim which its schedules are 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

1. Administrative Claims

Administrative expenses as defined in Section 503(b) of the Code include the claims of the Company's bankruptcy counsel, Neubert, Pepe & Monteith, P.C., which total is estimated to be \$50,000. The allowance of this claim is required to be approved by the Court. Administrative claims will be paid in full on the later of their allowance or confirmation of the Plan. Any entity herein may elect to receive a payment over a period of time or a difference treatment.

2. Secured Claims

a. Class 1

Class 1 consists of State Tax Collection Agency LLC for the tax liens assigned from the Town of Stratford on the Property.

b. Class 2

Class 2 consists of Town of Stratford for tax and sewer liens whether choate or inchoate on the Property.

c. Class 3

Class 3 consists of the Trustee for a first mortgage on the Property.

3. Priority Claims under Section 507(a)(8) of the Code

These are the claims for any unliened real estate taxes or sewer use fees due the Town of Stratford.

4. Unsecured Claims Class 4

These are the claims of the unsecured creditors, including those creditors that have become unsecured as the result of the application of Bankruptcy Code Section 506(a) and the Court's order of April 13, 2015.

5. Claims of Equity Security Holder Class 5

Joseph Regensburger is the owner of the equity.

D. Treatment of Claims and Interests Under the Plan

1. 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.

2. **Priority Claims**

Priority claims will be paid in full on the Effective Date of Confirmation of the Plan.

3. **Secured Claims**

a. **Class 1 Impaired**

State Tax Collection Agency, LLC's allowed claims shall be paid in full by the following payments: (i) \$15,000 upon the Effective Date of the Plan and (ii) the balance of the allowed secured claim to be paid on or before December 10, 2017, or upon a sale of the Property, whichever occurs first.. Until paid, it shall retain its liens.

b. **Class 2 Unimpaired**

The Town of Stratford's allowed secured claim shall be paid in full upon the Effective Date of the Plan. Until paid, it shall retain its liens.

c. **Class 3 Impaired**

By notice dated April 30, 2015, the Trustee has elected to have his secured claim treated pursuant to Section 1111(b) of the Bankruptcy Code. As a result of this election, the Trustee will not have an unsecured claim against the Debtor. Interest shall accrue on the Trustee's allowed secured claim as of January 1, 2016 at 5% *per annum*. The Trustee's allowed secured claim shall be paid by monthly payments in the amount of \$4,000.00 per month commencing on the Effective Date of the Plan. The Debtor shall use best efforts to market and sell the Property prior to December 31, 2018. To the extent the total monthly payments paid to the Trustee are insufficient to satisfy the Trustee's allowed secured claim at the time of the closing of a sale of the Property, the Trustee shall receive a payment upon the sale of the Property calculated by deducting from the Trustee's allowed secured claim all payments made

hereunder to ensure payment in full of Trustee's allowed secured claim. The protections of the automatic stay pursuant to Section 362(a) of the Code with respect to the Property shall remain in place after the Effective Date through and including December 31, 2018 unless the Debtor defaults under its obligations as set forth below. The Trustee shall be granted relief from the provisions of the automatic stay upon the earlier of (i) December 31, 2018; or (ii) a default in (a) any payment due to the Trustee hereunder or (b) any payment due to State Tax Collection Agency as set forth in paragraphs 1a above; or (c) current real property taxes due after the Effective Date with respect to the Property. Until paid, the Trustee shall retain his lien on the Property.

d. Class 4 Impaired

The unsecured creditors will be paid 6% of their allowed unsecured claims over a period of 60 months in payments made annually (once per year) commencing the later of 30 days after the Effective Date of the Plan or upon allowance of a creditor's particular claim.

e. Class 5 Impaired

Joseph Regensburger will invest at least \$25,000 into the Debtor prior to the Effective Date and shall retain his interest in the Debtor until the Property is sold.

V.
FINANCIAL INFORMATION

There have been no transfers of the Debtor's assets, other than in the ordinary course of business, therefore the Debtor does not believe it has any claims to pursue fraudulent transfers or conveyances.

A. Executory Contracts

All executory contracts not specifically rejected in the Plan or objected to prior to Confirmation shall be assumed by the confirmation of the Plan.

B. Liquidation Value

The Court, in its Order dated April 13, 2015, determined the value of the Property to be \$550,000. Pursuant to the Order, the Trustee maintained a right to dispute the valuation of the Property in any plan confirmation process and the Order notes that if a different value is determined for the Property at a later date, the later value shall control for purposes as between the Company and the Trustee. Annexed hereto is Exhibit A which is a spreadsheet showing the Court's finding as to value of the Property, a summary of the liens on the Property, and proposed Plan payments to be made to lien holders. Based upon the Court's findings in its April 13, 2015 order, the Property is valued at less than the liens on the Property.

C. Means of Effectuation of the Plan

On October 17, 2014, the Company filed an application with the Court to seek a determination under Section 506 of the Bankruptcy Code as to the valuation of the Property and the extent of the liens held by junior mortgage holders. The Court's April 13, 2015 order granted the application, disallowed the liens held by junior mortgage holders, and found that these junior lien holders hold only unsecured claims. The Court's order reduces the Debtor's secured claims, its ongoing payment obligations, and enables it to propose this feasible Plan.

After the Petition Date, the Company received a conditional zoning approval from the Town of Stratford for development plan for the Property (the "Zoning Approval") to erect thirty-nine (39) market rate and affordable housing units. The Town of Stratford filed an appeal of the Zoning Approval in the Connecticut Superior Court, Docket No. CV15-6049299-S. In January, 2016 the Connecticut Superior Court denied the appeal filed by the Town of Stratford. Moreover, the Connecticut Superior Court ruling, at the Company's request, removed two (2) conditions initially set forth by the planning and zoning commission in the Zoning Appeal. The

Company believes that the removal of these conditions has improved the marketability of the Property. The Company believes the Zoning Approval benefits the estate. The Company intends to continue to pursue the development of the Property and to market the Property for sale with the Zoning Approval. It is anticipated that in the current real estate market, the Property may require many months to market. The Debtor has filed a motion to retain Delibro Realty Group as its real estate broker to market the Property. The Debtor shall use best efforts to consummate a sale of the Property on or before December 31, 2018. If no sale has been consummated prior to December 31, 2018, or as otherwise provided herein, relief from the automatic stay imposed under Section 362(a) of the Code shall enter in favor of the Trustee. The sale of the Property shall be made pursuant to Section 1146 of the Bankruptcy Code. The Debtor will seek, in the Order confirming the Plan, a finding that the transfer of the Property pursuant to the Plan will be exempt from taxation. The Debtor shall continue to pay its ongoing tax obligations and Plan payments during the marketing of the Property.

The Company has entered a written lease agreement with the United States Postal Service (the "Tenant") for the lease of the Property ("The Postal Lease") for use as employee parking. Under the time of the Postal Lease, the Company shall be paid \$36,000 per annum in equal monthly installments. The Postal Lease is a year to year lease effective on April 1, 2015 and terminable by either party upon 180 days notice.

All allowed secured non-tax and tax claims as determined by the Court shall receive payments as set forth in Exhibit A annexed to the final approved Disclosure Statement and Plan and terms of payment shall be binding on the allowed secured claims and creditors. In accordance with Section 1129(a)(12) of the Code and 28 U.S.C. § 1930, all quarterly fees payable to the United States Trustee shall be paid by the Debtor 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 Debtor shall also timely file 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.

D. The Debtor's Assets

In addition to the Property, the Debtor has a pre-petition loan receivable of approximately \$792,000 from Yellow Rose, Inc. ("Yellow Rose"). The Debtor believes that it will be able to collect a substantial portion of the sums due it from Yellow Rose and anticipates receiving payments from Yellow Rose of at least \$24,000 per annum. Since the Petition Date, the Debtor has collected more than \$75,000 from Yellow Rose.

E. Proposed Sale Pursuant to Section 1146 of the Bankruptcy Code

The sale proposed in the Plan shall be made pursuant to Section 1146 of the Bankruptcy Code, which provides that property transferred under a confirmed plan shall not be taxed under any law imposing a stamp tax or similar tax. The Debtor shall, therefore, seek an exemption from the imposition of state and local conveyance taxes upon the sale of the Property and will request a finding in the Order confirming the Plan that no tax is due on the conveyance of the Property pursuant to the Plan.

F. Projection

Prior to its bankruptcy filing, the Company produced little or no income. Since its bankruptcy filing, the Company has received significant financial commitments from its principal and collections from Yellow Rose which it believes will enable it to maximize a recovery for its creditors. In addition, the Company shall receive a capital investment from its principal, Joseph Regensburger, of no less than \$25,000, prior to the Effective Date of the Plan to

enable it to make payments to its creditors pursuant to this Plan, and to develop the Property. The investment by the Company's principal by the Effective Date, in addition to the income from the Tenant and collections from Yellow Rose, shall be sufficient to enable the Debtor to pay its Plan payment obligations after the Effective Date. The reader is cautioned that the Company's revenues are, of course, dependent on a variety of factors, not all of which are under the Company's control, including, but not limited to, the state of the economy. The Company reasonably expects that due to the financial commitments of its principal, its rental income, its Yellow Rose collections, and its plan to market the Property for sale, sufficient revenue will be generated in order for the Company to make the required payments under the Plan and that the Plan as proposed is in the best interests of its creditors. The Company anticipates that after confirmation of the Plan, Mr. Regensburger will continue to serve as the Company's managing member and Mr. Gus Curcio, Sr. will continue to serve as a manager. Neither Mr. Regensburger nor Mr. Curcio will receive compensation for their services provided to the Company. The Company believes that the payments under the Plan are not less than what creditors would receive if the Debtor were liquidated. The Company believes that in a liquidation there is insufficient value in the Property to satisfy the claims of the Trustee. Moreover, in a liquidation, the collection of the Yellow Rose receivable is uncertain and any collection would be reduced by the fees and costs associated with a chapter 7 liquidation proceeding. As a result, the Company anticipates that unsecured creditors would receive little or no distribution in a liquidation.

G. Certain Federal Income Tax Consequences of the Plan

1. Federal Income Tax Consequences to the Debtor

The tax consequences of the Plan on the Company are uncertain because the range of values that may be realized on the sale of the Property is unknown. However, the

Company will likely be subject to Federal income taxes, capital gains taxes and may be subject to alternative minimum taxes. The Plan provides for the payment of capital gains taxes prior to the distribution of the net proceeds from the sale of real estate.

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. However, under Section 108 of the Tax Code, 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.

2. Federal Income Tax Consequences to the Creditors

In general, 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. The

following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to the holders of Unsecured Claims. The following summary does not address the U.S. federal income tax consequences to holders whose Claims are unimpaired or otherwise entitled to payment in full in Cash under the Plan (e.g., Administrative Expense Claims, Priority Non-Tax Claims, and Other Secured Claims), or holders of Old Equity Interests that are extinguished without a distribution in exchange therefore.

The following summary is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the “IRS”), all as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary generally does not address foreign, state or local tax consequences of the Plan, nor does it address the U.S. federal income tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, broker-dealers, persons not holding their Claims, persons holding unsecured claims who are not the original holders of those Claims or who acquired such Claims at an acquisition premium, and persons who have claimed a bad debt deduction in respect of any Unsecured Claims).

Accordingly, the following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax

planning and advice based upon the individual circumstances pertaining to a holder of a Claim.

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 is 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 Debtors 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.

3. Consequences to Holders of Allowed General Unsecured Claims Class 4

In general, each holder of an Allowed General Unsecured Claim should recognize gain or loss in an amount equal to the difference between (x) the amount of Cash received by the holder in satisfaction of its Claim (other than any Claim for accrued but unpaid interest) and (y) the holder's adjusted tax basis in its Claim (other than any basis attributable to accrued but unpaid interest). Pursuant to the Plan, distributions to any holder of an Allowed General Unsecured Claim will be allocated first to the original principal amount of such Claim as determined for federal income tax purposes and then, to the extent the consideration exceeds such amount, to any portion of such Claim representing accrued original issue discount ("OID") or accrued but unpaid interest. However, there is no assurance that the IRS would respect such allocation for federal income tax purposes. In general, to the extent that an amount received by a holder of debt is received in satisfaction of accrued interest or OID during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the

holder's gross income). Conversely, a holder will generally recognize a loss to the extent any accrued interest was previously included in its gross income and is not paid in full. Each holder is urged to consult its tax advisor regarding the allocation of consideration and the deductibility of losses realized in respect of Allowed General Unsecured Claims for federal income tax purposes.

Where gain or loss is recognized by a holder of an Allowed General Unsecured Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the Claim was originally issued at a discount or a premium, whether the Claim was acquired at a market discount, and whether and to what extent the holder previously had claimed a bad debt deduction in respect of that Claim.

4. Information Reporting and Withholding

All distributions to holders of Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable withholding rate. Backup withholding generally applies if the holder (a) fails to furnish its social security number or other taxpayer identification number ("TIN"), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is a United States person that is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and

the appropriate information is supplied to the IRS. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, the following: (1) certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds; and (2) certain transactions in which the taxpayer's book-tax differences exceed a specified threshold in any tax year. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders' tax returns.

The foregoing summary has been provided for informational purposes only. All holders of Claims receiving a distribution under the Plan are urged to consult their tax advisors concerning the federal, state, local and foreign tax consequences applicable under the Plan.

Dated: January 27, 2016
New Haven, Connecticut

THE DEBTOR,
LONG BROOK STATION, LLC

THE DEBTOR,
LONG BROOK STATION, LLC

By: /s/Joseph Regensburger
Joseph Regensburger
Member

By: /s/Douglas S. Skalka
Douglas S. Skalka (ct00616)
NEUBERT, PEPE & MONTEITH, P.C.
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New Haven, CT 06510
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EXHIBIT
A

**LONG BROOK STATION, LLC
EXHIBIT A
SIXTH AMENDED PLAN OF REORGANIZATION**

PropertyName	Claimant	Principal ClaimAmt	Accrued Interest & Fees thru 4/2017	ClaimAmt	LienNature	Proposed Monthly Plan Payment
3044 Main Street	Manuel Moutinho, Trustee	289,336.32		*647,961.91	Mortgage (1st)	\$4,000.00
	Town of Stratford Total	50,812.58	10,937.03	°61,749.61	RE Tax and Sewer (2008 - 2015)	°\$0.00
	State Tax Collection Agency (STCA) Total	25,164.17	15,453.42	~40,617.59	RE Taxes 2007 - 2010	\$15,000 on Confirmation with balance paid by 12/2017

*Claim amount as of the Petition Date. The Debtor has been making \$3,750 monthly adequate protection payments since 2014 which has reduced this claim as of January 27, 2017

° The Debtor anticipates that pending settlement of its claim with the Town of Stratford will resolve any outstanding pre-petition tax claim held by the Town of Stratford. ~Payoff figure as of December 30, 2016 provided by STCA. The Debtor disputes this payoff amount.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
NEW HAVEN DIVISION**

In re: :
LONG BROOK STATION, LLC :
Debtor. :
: X

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 27, 2017, the foregoing Sixth Amended Disclosure Statement was electronically filed. Notice of this filing was sent by e-mail to all parties by operation of the Court’s electronic filing system or by mail to anyone unable to accept electronic filing. Parties may access this filing through the Court’s system.

Dated: January 27, 2017
New Haven, Connecticut

THE DEBTOR,
LONG BROOK STATION, LLC

By: /s/Douglas S. Skalka
Douglas S. Skalka (ct00616)
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SERVICE LIST

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- James R. Winkel jrw@quidproquo.com, talba@haflaw.com

Manual Notice List

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