

UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
BRIDGEPORT DIVISION

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In re:	: CHAPTER 11
	: :
Frank Vollrath	: CASE NO.: 14-50793
	: :
Debtor	: :
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FIFTH AMENDED DISCLOSURE STATEMENT

I. Introduction

On May 23, 2014 (the "Petition Date"), Frank Vollrath, Debtor and Debtor-in-Possession (the "Debtor"), filed a voluntary petition seeking relief under Chapter 11 of Title 11, of the United States Bankruptcy Code, §§101 et. seq. (the "Code"), in the United States Bankruptcy Court, District of Connecticut, at Bridgeport. In accordance with §§1107 and 1108 of the Code, the Debtor was authorized to continue in possession of his property as Debtor-in-Possession.

The Debtor has filed a Fifth Amended Plan of Reorganization (the "Plan") to treat the claims of his creditors.

The Debtor provides this Fifth Amended Disclosure Statement (the "Disclosure Statement") to all of his known creditors and other parties-in-interest in order to disclose that information deemed necessary by the Debtor to be material, important and necessary for all creditors to arrive at a reasonably informed decision in exercising their right to vote for the acceptance of the Plan.

A hearing to fix the time for filing acceptances or rejections of the Plan and confirmation will be set by the Court, and notice thereof will be distributed to all parties. Creditors may vote on the Plan by completing and mailing the accompanying ballot to the Bankruptcy Court. As a creditor, your vote is important. In order for the Plan to be deemed accepted, creditors that hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the allowed claims of that Class that have voted, must vote affirmatively on the Plan.

The purpose of this Disclosure Statement is to provide adequate information to permit an informed judgment on how to vote on the Plan. The Disclosure Statement contains important information about the Plan and considerations pertinent to its acceptance or rejection, as well as information about the Debtor and his operations.

NO REPRESENTATIONS CONCERNING THE DEBTOR IS AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION WHICH ARE OTHER THAN THOSE REPRESENTATIONS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED AUDIT, REVIEW OR COMPILATION. THE RECORDS KEPT BY THE DEBTOR ARE MAINTAINED BY HIMSELF AND/OR HIS AGENTS WHICH MAY HAVE BEEN ASSISTED BY THE DEBTOR'S ACCOUNTANT.

ALTHOUGH EFFORTS HAVE BEEN MADE BY THE DEBTOR TO INSURE THAT THE INFORMATION CONTAINED HEREIN IS ACCURATE, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACIES. ESTIMATES OF LIQUIDATION VALUES OF PROPERTY ARE BASED ON EITHER INDEPENDENT APPRAISALS AND/OR THE DEBTOR'S PAST BUSINESS EXPERIENCE AND PRESENT KNOWLEDGE OF MARKET CONDITIONS AND ARE SUBJECT TO CONDITIONS AND VARIATIONS BEYOND THE CONTROL OF THE DEBTOR.

II. History of the Debtor and Chapter 11 Proceedings

A. Debtor's History and Business:

The Debtor is an individual residing in Weston, Connecticut. He is married to Susan Vollrath. He is the Director of IP Operations for Xerox Corporation. The Debtor commenced the instant bankruptcy case as a result of a foreclosure proceeding on his residence.

B. Chapter 11 Case:

1. Chapter 11 Proceedings. Subsequent to the commencement of the Chapter 11 case, the Debtor retained the law firm of Zeisler & Zeisler, P.C. as his general counsel and tended to such other administrative matters such as conducting their business and financial affairs, the filing of their Statement of Financial Affairs and Schedule of Assets and Liabilities and continued attendance at their meetings of creditors.

The majority of the Debtor's efforts in the legal arena during the Chapter 11 case have been directed to the preparation of a plan of reorganization and negotiations with specific creditors.

IV. Assets of the Debtor and Estate

The principal assets of the Debtor are set forth in the attached Section VI.

V. Funding of Plan

The Plan is to be implemented in a manner consistent with Code §1123. The Debtor will continue to reduce expenses to help make the Plan feasible. The Plan will be primarily funded by the Debtor's income and sale of real estate and withdrawing up to \$150,000 (net of estimated taxes) from the Debtor's retirement funds. The land on which the Debtor's Residence is situated consists of approximately 9.5 acres. When the Residence was purchased in 2006, it included an additional 75 feet of road frontage in order to have the ability to subdivide the land into two (2) parcels of approximately 5 acres each. Engineered plans were designed for a subdivision and are available upon request. In early 2009, the Debtor received conservation approval which is the most important step towards the subdivision. The Debtor believes the next step would be to obtain planning and zoning approval for the subdivision. Once approved, the second lot can either be developed and sold or sold. During the five (5) year period to repay the arrearage to M&T Bank, Frank will subdivide the Residence into two parcels, and sell the second lot (the one without the house), paying M&T Bank the net proceeds after paying all real estate taxes, the broker's commission, a reasonable attorneys' fee and closing costs to be applied to reduce the arrearage. Alternatively, the Debtor might develop the second lot and sell the house lot and payoff the

secured claim of M&T Bank. A copy of the Debtor’s projection is annexed hereto as Exhibit A. The projection is not based on a sale of either lot until five years from the Distribution Date, but if the sale is concluded earlier, it enhances feasibility of the Plan.

VI. Liquidation Analysis

The Debtor believes that he has taken into account the nature, status and underlying value of the assets of the estate in this analysis. Although the Debtor does not believe there will be any distribution to holders of general unsecured claims in liquidation, the Debtor intends to pay the unsecured creditors holding allowed non priority claims approximately 100% of their allowed unsecured claims based on presently filed unsecured claims.

	<u>Value</u>	<u>Net Liquidation Value projected after liens, costs of sale and exemptions</u>
One half interest Residence located at 11 Tiffany Lane, Weston, CT No equity Mortgage and liens exceed value (the “Residence”).	*\$ 920,400.00	\$ 0.00
One half interest Condo located at 34 Jade Circle, Manchester VT	*\$ 81,000.00	\$ 0.00
Checking Accounts (approximately as of September 30) 0.00	\$ 12,865.00	\$
One half interest Misc. household goods and furnishings (Debtor’s interest has been exempted)	\$ 7,500.00	\$ 0.00
Wearing apparel (exempted)	\$ 1,000.00	\$ 0.00
Wedding Ring and Watch (exempted)	\$ 2,500.00	\$ 0.00

Household tools (exempted)	\$ 1,000.00	\$ 0.00
IRA's/Pensions (not property of estate)	\$ Exempt	\$ 0.00
Xerox Stock Options (some restricted)	\$ 70,000.00	\$ 70,000.00
2013 Ford Expedition	\$ 33,000.00	\$ 0.00

*one half of the total value of property

In liquidation, the Debtor believes general unsecured creditors would receive a distribution from the estate taking into consideration the costs and risks of liquidation and after payment and of administrative, priority and secured claims. First, most of the Debtor's assets have been exempted, have no equity or value or were purchased or accumulated from assets that are not property of the estate, and therefore are not property of the estate. The Debtor has a one half interest in the Residence. The Residence has no equity after deducting the first mortgage debt, exemptions, and projected costs of sale (10%) from the appraised value. See Debtor's Schedule A filed 06/09/2014. Similarly, when the first and second mortgage debt are deducted from the appraised value of the condo owned by the Debtor and his wife located in Manchester, Vermont (the "Vermont Property"), there is no equity. See Debtor's Schedule A filed 06/06/2014.

There was approximately \$12,865 in the Debtor's checking account from the Debtor's wages and approximately \$70,000 of Xerox stock options (estimated present value because of liquidation restrictions over the next three years. If the case were converted, the Debtor believes the proceeds from his wages are not property of the estate and he would be able to retain them. However unsecured creditors would still likely be paid in full over time from the proceeds of Xerox stock options. After payment of a hypothetical Chapter 7 Trustee's commission,

attorneys' fees and accountant's fees, it is estimated there would ultimately likely be sufficient funds to pay unsecured creditors in full. A chapter 7 trustee would have to pay any unpaid Chapter 11 administrative fees (including the Debtor's counsel) which will ultimately be more than \$30,000 and then the balance would be used to pay toward the IRS priority claim, which is \$17,559.76. The Debtor proposes to pay his unsecured creditors 100% of their allowed claims by paying each of them their pro rata share of the sum of \$1,462.00 payable each quarter over 3 years for a total of \$17,544.00. Unsecured claims total approximately \$17,541.00*. (*The Debtor has not included a \$500 claim to People's Bank which he believes is now satisfied. If his assumption is incorrect, the Debtor will pay the total sum of \$18,048 over three years to unsecured creditors.)

VII. Executory Contracts and Unexpired Leases

Except as set forth in the Plan, all executory contracts and unexpired leases of the Debtor as of the Confirmation Date which are not expressly rejected prior to the Confirmation Date, and for which no motions are pending for their rejection on the Confirmation Date, shall be and are thereby rejected by the Debtor.

CREDITORS ARE ADVISED TO REVIEW THE PLAN IN ITS ENTIRETY FOR DETAILED DESCRIPTION OF THE PROPOSED TREATMENT OF THE VARIOUS CLASSES IN THE PLAN. CREDITORS, ADMINISTRATIVE CLAIMANTS AND OTHER PARTIES IN INTEREST ARE FURTHER URGED TO CONSULT WITH THEIR RESPECTIVE LEGAL AND TAX COUNSEL, ACCOUNTANTS AND OTHER PROFESSIONAL ADVISORS CONCERNING THE PLAN AND ITS SIGNIFICANT FINANCIAL AND TAX RAMIFICATIONS, SINCE THE PLAN REPRESENTS A LEGAL

BINDING OBLIGATION AS TO THE DEBTOR AND ALL OTHER AFFECTED PARTIES AND PROPERTIES WITH CERTAIN TAX RAMIFICATIONS NOT DESCRIBED HEREIN AND CANNOT BE PROPERLY EVALUATED WITHOUT THOROUGH REVIEW AND COMPREHENSION.

VIII. Designation And Treatment Of Classes Of Claims And Priority Claims

A. Administrative Claims:

If not paid in the ordinary course of the Debtor's business prior to the confirmation of the Debtor's Plan, Administrative Claims will be paid in full, in cash, on (i) the Effective Date; (ii) the date such indebtedness or obligation becomes due or; (iii) the date on which such administrative expenses are allowed by the Bankruptcy Court with regard to professional fees; or (iv) the Distribution Date; or (v) on such other terms to which the parties otherwise agree and as are not prohibited by the Bankruptcy Code.

Pre-confirmation payments to the Debtor's counsel shall be made only after Court approval. Amounts are approximate and estimated. They may increase or decrease significantly dependent on litigation and additional professionals may be retained, and other administrative claims will also be subject to court approval. Professional fees accrued after the Confirmation Date will be paid in the ordinary course without further court approval. Trade payable and post-petition tax claims will be paid in the ordinary course without notice. There will be administrative claims for professional fees for counsel, Zeisler & Zeisler, P.C.

B. Payment of Administrative Claims.

All Administrative Claims other than claims of professionals, unless objected, which have not been paid prior to the Distribution Date shall be paid in full in Cash on the Distribution Date (or, if later, ten (10) days after the date on which any such Administrative Claim is allowed by a Final Order of the Bankruptcy Court), or upon such terms as otherwise agreed between the Debtor and the holder of such Administrative Claim.

C. Priority Claim

Internal Revenue Service contends it is owed a priority claim in the approximate amount of \$17,559.76. The Debtor will pay the IRS priority obligation in thirty-six (36) equal monthly installments with interest at the statutory rate until this allowed priority claim is paid in full, commencing on the Effective Date. Notwithstanding anything herein to the contrary, the Debtor may prepay the allowed claim of this creditor at any time without penalty and without further interest.

D. Classification of Claims

The following table summarizes the Classifications established under the Plan, indicating the approximate amount of claims of that class, if the status of that Class is impaired or unimpaired by the Plan and the treatment of the claims of that Class. The Reorganized Debtor reserves the right to pay off any creditor prior to the term set forth in the Plan without penalty.

Class 1: Secured Claim Town of Weston

1. Approximate Amount: \$210,000.00
2. Impaired.
3. Treatment: To the extent not disputed, Class 1 shall be paid the sum of \$10,000 on or before the Distribution Date and the balance of the Allowed Amount of its

Secured Claim in monthly payments over one hundred twenty (120) months commencing on the Distribution Date, plus interest at the Town of Weston's statutory rate, or such other terms as may be agreed between the parties or as the Court may direct. Notwithstanding anything herein to the contrary, the Debtor will pay off the outstanding balance of the allowed Secured Claim on or before the five (5) year anniversary of the Distribution Date. This creditor shall retain its lien until its allowed secured claim has been paid.

Class 2: Secured Claim of M&T Bank f/k/a Hudson Savings Bank

1. Approximate Amount: \$1,806,071.93 – Arrearage approximate amount claimed by creditor \$439,000.00 (subject to review)
2. Unimpaired.
3. Treatment: The Debtor will cure the arrearage in its entirety owed on the promissory note and mortgage by reinstating the note and paying the allowed secured claim representing the arrearage owed on the note in equal monthly installments over a one hundred twenty (120) month period without interest commencing on the Distribution Date. Notwithstanding anything herein to the contrary, the Debtor will pay off the outstanding balance of the arrearage on the note on or before the five (5) year anniversary of the Distribution Date. The Debtor will also pay this creditor the regular monthly payment pursuant to the tenor of the underlying reinstated note and mortgage. The Debtor has requested as updated reinstatement balance to review for accuracy. (or objection if inaccurate or incorrect). This creditor shall retain its lien on the Debtor's Residence until its allowed secured claim has been satisfied as set forth herein. Notwithstanding the foregoing, the Reorganized Debtor shall be and is hereby authorized to prepay the allowed secured claim of this creditor without any penalty. The Debtor may object to this claim including any late charges. The Debtor also intends to subdivide the Residence into two lots. The Debtor intends to market and sell one of the lots free and clear of liens and after paying outstanding real estate taxes, conveyance taxes, real estate broker's fees, closing costs and reasonable attorney fees, will pay the balance of the funds to this creditor to reduce the outstanding balance of the allowed secured claim, first being applied to any arrearage.

4. Collateral: First mortgage on Residence located at 11 Tiffany Lane, Weston, Connecticut (the "Residence").

Class 3: Secured Claim Green Tree Servicing, LLC

1. Approximate Amount: \$68,351.30
2. Unimpaired
3. Treatment: The Debtor will continue to pay this creditor pursuant to the tenor of the underlying note and mortgage, and intends to continue to make the regular monthly payment obligations thereon. Pursuant to the Proof of Claim filed on September 19, 2014, at the time of the Debtor's bankruptcy filing, there was due and owing a total of 66.83 for escrow shortage. To the extent that there remains an escrow shortage at the time of confirmation and/or any post-petition delinquency in monthly payments, the Debtor will cure that arrearage in a lump sum payment on the Effective Date of the Confirmation. This creditor shall retain its lien (first mortgage) on the Vermont Property until its allowed secured claim has been satisfied. Notwithstanding the foregoing, the Reorganized Debtor shall be and is hereby authorized to prepay the allowed secured claim of this creditor without any penalty. Upon confirmation of the Debtor's case, the automatic stay under 11 U.S.C. §362 will no longer be applicable so that this creditor can enforce its default rights pursuant to the Note and Mortgage without further order of this court.
4. Collateral: First mortgage condo located at 34 Jade Circle, Manchester VT ("Vermont Property").

Class 3: Secured Claim Citibank, N.A.

1. Approximate Amount: \$100,209.58
2. Unimpaired
3. Treatment: The Debtor will continue to pay this creditor pursuant to the tenor of the underlying note and mortgage, and intends to continue to make the regular monthly payment obligations thereon. This creditor shall retain its lien (second mortgage) on the Vermont Property until its allowed secured claim has been satisfied. Notwithstanding the foregoing, the Reorganized Debtor shall be and is hereby authorized to prepay the allowed secured claim of this creditor without any

penalty.

4. Collateral: Second mortgage condo located at 34 Jade Circle, Manchester VT (“Vermont Property”).

Class 5: Secured Claim Ford Motor Credit

1. Approximate Amount: \$34,192.53 as of August, 2015
2. Impaired
3. Treatment: The allowed secured claim of Ford Motor Credit shall be fixed in the amount of \$34,192.53 as of August 20, 2015 less any payments made thereafter. As of August 22, 2016, statements received from Ford Motor Credit indicate a balance of \$26,198. To the extent not previously paid, the remaining balance of the allowed secured claim of Ford Motor Credit as set forth in this paragraph shall be paid in equal monthly installments over sixty (60) months with an interest rate that shall be fixed at the contract rate of one and nine tenths percent (1.9%) per annum. This creditor shall retain its lien as modified by this Plan until its allowed secured claim as determined in this paragraph as of the Confirmation Date has been paid at which time Ford Motor Credit or its successor in interest shall immediately release its lien and title to the vehicle (2013 Ford Expedition) to the Debtor. Notwithstanding the foregoing, the Debtor shall be and is hereby authorized to prepay this allowed secured claim without any penalty.

Class 6: All Allowed Non-Priority Unsecured Claims

1. Allowed unsecured claims based on claims review are estimated at approximately \$18,040.77. (The Debtor is in the process of amending its schedules to delete the claim of People’s Bank in the amount of \$500 because it was satisfied by the Bank when an account was closed. The Debtor therefore believes the claims will total \$17,540.77.)
2. Impaired.
3. Treatment: On a quarterly basis commencing on the six month anniversary of the Distribution Date, the Reorganized Debtor will pay each creditor holding an allowed unsecured non-priority claim, its pro rata share of one thousand four hundred sixty-two dollars (\$1,462.00) per quarter without interest for three (3) years for a total of \$17,544.00. (If the \$500 unsecured claim of People’s Bank is not deleted from the schedules, the Debtor will increase the quarterly payment by \$42.00 for a total of \$1,504.00 per quarter for twelve quarters, for a total of

\$18,048.00.) There will be twelve quarterly installments unless paid sooner. The Reorganized Debtor reserves the right to prepay any of these payments to each and/or all of these creditors in this class under the Plan without penalty and in the event of a prepayment by more than five months when such payment is otherwise due, the Reorganized Debtor may discount each such prepayment at a rate of six percent (6%) per annum.

E. Cramdown:

1. Confirmation Without Acceptance By All Impaired Classes

The Plan may be confirmed even if not accepted by all impaired classes if at least one (1) impaired class of claims, i.e., Classes 5 or 6 have accepted it and the Plan meets the following standards:

a. Non-Acceptance By an Impaired Class of Secured Claims

The Debtor believes two classes of secured claims, Classes 1 and 5 are impaired. As an impaired class of secured claims, if Class 5 rejects the Plan, the Plan could still be confirmed if it does not discriminate unfairly as to the dissenting Class and is "fair and equitable" to such class. Under §1129(b), a Plan is "fair and equitable" to a class of non-accepting secured claims if, among other things, the Plan provides (i) that the lien securing the claims of members of the Class be left in place to the extent of the allowed amount of the claim and the holders of the claims receive deferred cash payments under the Plan with a present value equal to the lesser of the amount of such claims or the value of the claimholders interest in the collateral securing such claims; (ii) that the collateral securing the claims be sold free of the lien attaching to the proceeds and with such lien on the proceeds being treated under one of the two other standards described in this paragraph; or (iii) that holders receive the "indubitable equivalent" of their claims.

The Debtor contends that the treatment of the Class of secured claims impaired under the Plan meets the "fair and equitable" test and that the Plan can therefore be confirmed if all other requirements for confirmation are met, even if rejected by Class 1 and 5. Obligations to the Member of this Class will be secured by the same collateral which now directly secures its claim. The holder of this allowed secured claim will receive its collateral in satisfaction of its secured claim.

F. US Trustee Fees:

In accordance with §1129(a)(12) of the Bankruptcy 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 also intends to file monthly operating reports until such time as a final decree is entered by the Court or the Court enters an order converting or dismissing this case.

G. Definitions:

1. "Administrative Claim" means an Allowed Claim, the holder of which asserts and is determined by final order to be entitled to priority pursuant to §§ 503(b) and 507(a)(1) of the Bankruptcy Code.

2. "Allowed Claim" means a claim (a) in respect of which a proof of claim has been filed with the Court within the applicable period of limitation fixed by Rule 3001 or (b) scheduled in the list of creditors prepared and filed with the Court pursuant to Rule 1007(b) and not listed as disputed, contingent, or unliquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Rule

3001 or an order of the Court, or as to which any such objection has been determined by an order or a judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending.

3. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Connecticut, Bridgeport Division, or such other Court as may hereafter have jurisdiction of an act with respect to this case.

4. "Cash" means currency of the United States of America, or checks issued by the reorganized Debtor payable in such currency.

5. "Claim" means a claim against the Debtor, whether or not asserted, as defined in § 101(5) of the Code.

6. "Class" means claims or equity interests which are substantially similar to the other claims or equity interests in such class as classified pursuant to the Plan.

7. "Code" means the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., and all amendments thereto which are applicable to the case.

8. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order.

9. "Debtor" mean Frank Vollrath, individually, residing at 11 Tiffany Lane, Weston, CT.

10. "Distribution Date" means the date on which the initial distributions under the Plan are made, which date shall be the later of (a) thirty (30) days after the Effective Date, or (b) thirty (30) days after the entry of a final, non-appealable order providing for the allowance of claims if an objection to a claim is pending on the Effective Date.

11. "Effective Date" means fourteen days after the order confirming the Plan becomes final and non-appealable.

12. "Petition Date" means May 23, 2014, the date the instant petition for relief under Title 11 was commenced.

13. "Plan" means this Plan of Reorganization as it may be amended or modified, together with all addenda, exhibits, schedules, or other attachments, if any.

14. "Reorganization" means the case for the reorganization of the Debtor commenced by the voluntary petition filed on May 23, 2014 now pending in this Court styled In re: Frank Vollrath; Case No. 14-50793.

15. "Reorganized Debtor" shall also mean the Debtor after the Effective Date.

16. "Residence" shall mean the Debtor interest in the real property located at 11 Tiffany Lane, Weston, CT.

IX. Preferential And Fraudulent Transfer Analysis

A. Preferences

A preference is a transfer made by the Debtor to or for the benefit of a creditor on behalf of an antecedent debt made within ninety (90) days of the filing or within one (1) year of the filing if such transfer was made to an insider, made when the Debtor was insolvent and enabling such creditor to receive more than the creditor would receive in liquidation.

The Debtor does not believe that he has any claim for preferential and fraudulent transfers.

X. Creditors' Committee

No creditors committee has been formed.

XI. Post-Confirmation Management

It is contemplated that the Debtor will continue to manage his affairs post-petition.

XII. Risk Factors

Certain substantial risk factors are inherent in most Plans of Reorganization under Chapter 11 cases. If such plans are accepted, it is usually because they represent a greater hope than a liquidating Chapter 7 case. In this case the principle risk of the Debtor is that the Debtor's income will not meet expectations or related parties will not provide financial assistance if necessary.

NEVERTHELESS, ALL RISK FACTORS INHERENT IN A PLAN OF REORGANIZATION IN CHAPTER 11 ARE PRESENT IN THIS CASE. CREDITORS ARE URGED TO REVIEW THIS DISCLOSURE STATEMENT AND ANNEXED FINANCIAL INFORMATION TOGETHER WITH THE ACCOMPANYING PLAN OF REORGANIZATION IN FULL SO THAT AN INFORMED JUDGMENT CAN BE EXERCISED WITH RESPECT TO VOTING ON THE PLAN.

XIII. Voting Procedure and Requirements

A. Ballots and Voting Deadlines

A ballot to be used for voting to accept or reject the Plan, together with a postage-prepaid return envelope, will be enclosed with all copies of this Disclosure Statement which, if approved, will be mailed to all Creditors entitled to vote.

The Bankruptcy Court will then direct that, in order to be counted for voting purposes, a ballot for the acceptance or rejection of the Plan must be executed and delivered by the holder on an allowed claim before the deadline established by the Court. Your vote must be received by the

Debtor no later than 5:00 p.m. Eastern Time, on or before a particular date, at the following address:

Zeisler & Zeisler, P.C.
10 Middle Street, 15th floor
P.O. Box 1220
Bridgeport, CT 06604
Attn: Matthew K. Beatman, Esq.

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED BY 5:00 P.M., EASTERN TIME, ON THE DATE SET BY THE COURT.

B. Creditors Entitled to Vote

Classes of Claims that are not "impaired" under a plan are deemed to have accepted the plan and a debtor need not solicit the votes of holders of claims in such classes. Any creditor whose Claim is impaired under the Plan is entitled to vote if either (i) its Claim is scheduled by the Debtor (and such Claim is not scheduled as disputed, contingent or unliquidated on the Debtor's Schedules or any amended schedules) and/or (ii) it has filed a proof of claim on or before the date set or to be set by the Court, which proof of claim currently is not the subject of a timely filed objection which has not been withdrawn on or before any date fixed for filing such objection by the Plan or an order of the Bankruptcy Court, and which has not been denied by a Final Order. Any holder of a Disputed or Contingent Claim is not entitled to vote unless, upon application of such Creditor, the Bankruptcy Court temporarily allows the claim in an amount which it deems proper for purposes of accepting or rejecting the Plan. A creditor's vote may be disregarded if the Bankruptcy Court determines that the creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE DEBTOR'S COUNSEL:

Matthew K. Beatman, Esq.
Zeisler & Zeisler, P.C.
10 Middle Street, 15th floor
P.O. Box 1220
Bridgeport, CT 06604
Tel: (203) 368-4234

C. Definition of Impairment

Under §1124 of the Bankruptcy Code, a class of claims or interests is impaired under a plan of reorganization unless, with respect to each claim or interest in such class, such plan pays each claim or interest in full, in cash, or otherwise leaves unaltered the legal, equitable and contractual rights of the holder of such claim or interest, other than by curing defaults and reinstating maturities.

D. Classes Impaired Under The Plan

Classes 1, 5 and 6 are impaired under the Plan and Creditors holding such Claims in this class are entitled to vote to accept or reject the Plan.

E. Vote Required For Class Acceptance

The Bankruptcy Code defines acceptance of a plan of reorganization by a class of creditors as acceptance by holders of at least two-thirds in dollar amount and more than fifty percent in number of the claims of that class, but for that purpose counts only those that actually cast ballots for acceptance or rejection of the Plan. Holders of claims that fail to vote are not counted as either accepting or rejecting the Plan.

XIV. Confirmation Of The Plan

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan (the "Confirmation Hearing"). Section 1128(b) provides that any party in interest may object to confirmation of the Plan.

If the Disclosure Statement is approved, a Confirmation Hearing will be scheduled for at the United States Bankruptcy Court, 915 Lafayette Boulevard, Bridgeport, Connecticut. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjournment thereof. Any objection to confirmation must be made in writing and filed with the Bankruptcy Court and served upon all parties who have filed a demand for receipt of papers under Bankruptcy Rule 2002(I) and the following parties, together with proof of service, on or before the date set by the Court:

Zeisler & Zeisler, P.C.
10 Middle Street, 15th floor
P.O. Box 1220
Bridgeport, Connecticut 06604
Attn: Matthew K. Beatman, Esq.

Objections to confirmation of the Plan are governed by Rule 9014 F.R.Bankr.P. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

XV. Alternatives To Confirmation And Consummation Of The Plan

If the Plan is not confirmed and consummated, the alternatives include (i) liquidation of the Estate under Chapter 7 of the Bankruptcy Code, or (ii) an alternative Chapter 11 plan or plans.

A. Liquidation Under Chapter 7

If the Plan or any other plan proposed by the Debtor cannot be confirmed under §1129(a) or (b) of the bankruptcy Code, the chapter 11 case may be converted to a case under Chapter 7 of the Bankruptcy Code, in which case a trustee or trustees would be elected or appointed to liquidate the assets of the Estate for distribution to Creditors in accordance with the priorities established under the Bankruptcy Code. The Debtor strongly believes it is clear that creditors would likely receive no more consideration on account of their Allowed Claims than that proposed in the Plan in the event a trustee or trustees are appointed, and the assets of the Estate are liquidated under Chapter 7 of the Bankruptcy Code.

Moreover, the Debtor believes that liquidation under chapter 7 will result in the diminution of the value of the Estate because of additional administrative expenses involved in the appointment of a trustee and attorneys, accountants and other professionals to assist a trustee, and other additional expenses and claims, some of which would be entitled to priority above the creditors that would arise by reason of the liquidation.

B. Alternative Chapter 11 Plan

If the Plan is not confirmed, it is possible that the Bankruptcy court convert this case to a case under chapter 7 of the Bankruptcy Code. In the alternative, the Debtor could propose an alternative plan. In either case, liquidation of the Estate, and/or substantial delay would be the likely result. The Debtor has explored various alternative plans during the negotiations process

which resulted in the formulation of the Plan. The Debtor believes that the Plan will enable each of the creditors to realize the greatest possible recovery on each of their Claims.

C. Certain Risk Factors

In the event that the Plan is not confirmed or the chapter 11 case is converted to a case under Chapter 7 of the Bankruptcy Code, the Debtor believes that such inaction or action, as the case may be, will result in substantial expense to the Estate and merely prolong, and negatively impact, the realization on claims of each of the creditors.

XVI. Conclusion


The Debtor submits that the Plan complies in all respects with Chapter 11 of the Bankruptcy Code, and recommends that holders of Claims who are entitled to vote on the Plan vote to accept the Plan. The Debtor reminds such holders that each holder must return its signed and marked ballots to the Debtor no later than the date set by the Court, at the following address:

Matthew K. Beatman, Esq.
Zeisler & Zeisler, P.C.
10 Middle Street, 15th floor
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15th

Dated this day of November, 2016



Frank Vollrath

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