UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
NEW HAVEN DIVISION

----------x

In re	Chapter 11
POST EAST, LLC	Case No. 16-50848
Debtor.	

----------x

AMENDED DISCLOSURE STATEMENT PROPOSED BY SECURED CREDITOR CONNECT REO, LLC

THIS AMENDED DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY AFFECT CREDITORS' DECISIONS TO ACCEPT OR REJECT THE PLAN OF REORGANIZATION ANNEXED HERETO AS EXHIBIT A. ALL CREDITORS ARE URGED TO READ THIS AMENDED DISCLOSURE STATEMENT CAREFULLY. ALL CAPITALIZED TERMS CONTAINED IN THIS DISCLOSURE STATEMENT SHALL HAVE THE SAME MEANING AS CAPITALIZED TERMS CONTAINED IN THE PLAN OF REORGANIZATION.

COURT APPROVAL OF THE AMENDED DISCLOSURE STATEMENT DOES NOT CONSTITUTE COURT APPROVAL OF THE TERMS OF THE PLAN.

ATTORNEYS FOR CONNECT REO, LLC (THE PROPONENT)

INTRODUCTION

Connect REO, LLC (the "Proponent") submits this Amended Disclosure Statement ("Disclosure Statement") in connection with the solicitation of acceptances of their Proposed Plan of Reorganization ("Plan") under Chapter 11 of the United States Bankruptcy Code. A copy of the Plan is attached hereto as Exhibit "A". All Creditors are urged to review the Plan, in addition to reviewing this Disclosure Statement. All capitalized terms used but not defined herein shall have the meaning set forth in the Plan.

This Disclosure Statement is not intended to replace a review and analysis of the Plan. Rather, it is submitted as a review of the Plan in an effort to explain the terms and implications of the Plan. Every effort has been made to fully explain the various aspects of the Plan as it affects all Creditors. To the extent a Creditor has any questions, the Proponent urges you to contact its counsel and every effort will be made to assist you. CONNECT REO, LLC URGES YOU TO VOTE IN FAVOR OF THE PLAN. CONNECT REO, LLC'S GOAL IS FOR ALL CREDITOR CLASSES TO ACCEPT THE PLAN. IF ALL CREDITOR CLASSES DO NOT ACCEPT THE PLAN, CONNECT REO, LLC INTENDS TO SEEK CRAMDOWN OF THE PLAN UNDER SECTION 1129(b) OF THE BANKRUPTCY CODE AS MAY BE NECESSARY TO EFFECT CONFIRMATION OF THE PLAN.

On_____, after notice and a hearing, the Bankruptcy Court entered an order approving this Disclosure Statement as containing information of a kind and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, to enable Creditors whose votes are being solicited to make an informed judgment whether to accept or reject the Plan.

Creditors should read this Disclosure Statement in its entirety prior to voting on the Plan.

No solicitation of votes may be made except pursuant to this Disclosure Statement. EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT, NO REPRESENTATIONS CONCERNING THE DEBTOR, ITS ASSETS, ITS PAST OR FUTURE OPERATIONS, OR THE PLAN AREAUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE PROPONENT.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUPPLIED BY THE DEBTOR IN ITS PRIOR FILINGS WITH THE BANKRUPTCY

COURT. BASED UPON THE INFORMATION MADE AVAILABLE, PROPONENT'S COUNSEL HAS NO INFORMATION PROVING THAT THE INFORMATION DISCLOSED HEREIN IS INACCURATE. NEITHER THE PROPONENT NOR ITS COUNSEL, HOWEVER, IS ABLE TO STATE DEFINITIVELY THAT THERE IS NO INACCURACY HEREIN OR THAT FUTURE EVENTS MAY NOT RENDER THE INFORMATION CONTAINED HEREIN INACCURATE.

After reviewing this Disclosure Statement indicate your vote to accept or to reject the Plan on the enclosed ballot, and return the ballot to counsel for the Proponent so as to be received on or before_____, 2017.

BACKGROUND

On June 27, 2016 (the "Petition Date"), Post East, LLC (the "Debtor") filed a Chapter 11 petition under Title 11 of the United States Code, 11 U.S.C. "101 et seq. (the "Bankruptcy Code").

The Debtor's primary asset consists of real property located at 740-748 Post East Road, Westport, Connecticut which is a commercial building. The Debtor's schedules value its real estate at $1,400,000.00. The Debtor's schedules, statement of financial affairs, and operating reports indicate that the Debtor may have the following supplemental assets : (i) cash from rents received from the Property of approximately $20,886.00 as of the November 2016 Monthly Operating Report, (ii) monthly rent receivables from seven tenants totaling $11,575.00 (together, the "Additional Assets").

The Debtor's schedules identify two secured creditors. They are as follows:

1. Connect REO, LLC with a scheduled claim of $1,043,015.74;

2. Tax Collector, Town of Westport for real estate taxes with a scheduled claims as "unknown". The Debtor scheduled the Tax Collector, Town of Westport as a priority unsecured claims in the scheduled amount of "unknown".

The Debtor scheduled general unsecured claims totaling $3,758.06.

The Debtor's financial problems appear to be the result, in part, of a decline in the real estate market and the mismanagement of the Property. The Debtor defaulted on its payment obligations to Connect REO, LLC by failing to make the required payments of principal and interest. In May 2014, Connect REO, LLC commenced a foreclosure action in the Superior Court of the State of Connecticut. During the pendency of the foreclosure action, the Debtor commenced this bankruptcy proceeding.

The Debtor has failed to file a proposed plan of reorganization and its efforts to reorganize have stalled. The Debtor has failed to reorganize despite having since June 2016 to do so.

Connect REO, LLC submits that the most expedient means by which to solve the Debtor's problems is through confirmation of a Chapter 11 plan which provides for a sale of the Debtor's Property, coupled with a fund for the payment of creditor claims.

PROPONENT'S PLAN OF REORGANIZATION

CLASSIFICATION AND TREATMENT OF CLAIMS

Class 1

Classification – Connecticut real estate taxes owed, if any, on 740-748 Post East Road, Westport, Connecticut. Total owed: $0.00

Treatment – Payment in full in Cash of Allowed Amount on the Distribution Date from the Total Proceeds as defined in the Debtor's Plan, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment. In the event Connect REO, LLC takes title to the Post East property via an auction, Connect REO, LLC will be responsible for payment of any outstanding

taxes due on this property due this creditor.

Voting -- Unimpaired and deemed to have accepted the Plan

Class 2

Classification – Connect REO, LLC. First Mortgage claim per Proof of Claim 3 and 4.

Treatment – Real Property: Connect REO, LLC shall be paid on the Distribution Date from the Net Sales Proceeds, as defined in the Plan, from the sale of this Property. The Westport Property shall be listed for sale by the Plan Administrator through a commercially reasonable sale at or about its current fair market value. In order to effectuate this sale, a real estate broker ("Broker") specializing in the sale of real property located in Westport, Connecticut shall be engaged pursuant to an order of the Court to list the Westport Property for sale on the Multiple Listing Service for the period April 1, 2017 through July 1, 2017 ("Listing Period") with an asking price of not less than the fair market value of the property or at a price set by this court after notice and hearing. The Listing Period may be modified with approval of this court. In order to submit a qualified bid on the Property, each prospective potential buyer submitting an bid must deliver to the Plan Administrator, through the retained Broker, (a) a written offer to purchase substantially in the form annexed hereto in the amount of at least (TBD) ("Minimum Bid" or "Qualifying Bid"), (b) a bank check in the amount of ten percent (10%) of the Qualifying Bid to participate in the Sale (the "Qualifying Deposit") payable to "Roberta Napolitano, Plan Administrator", and (c) evidence reasonably demonstrating such bidder's ability to consummate a sale on the terms proposed. Connect REO, LLC shall have the right to make a credit bid. No such Qualifying Deposit will be required in the event a Qualified Bid is made by Connect REO, LLC. Not later than one business day before the Sale, each bidder will be notified by the Plan Administrator as to whether the Plan Administrator deems such bidder qualified to bid at the Sale.

In the event one or more Qualified Bids are received by the Broker on the Westport Property, the highest Qualified Bid shall act as the "Stalking-horse bid", as more fully defined in the Debtor's Plan, made to purchase the Westport Property which shall be disclosed by the Broker to

the Court via a Motion to Sell under 11 U.S.C. §363, properly noticed to all creditors, and is subject to approval of the Court. Upon approval of the Stalking-Horse Bid, a sale of the Westport Property shall be conducted and sold pursuant to the sale procedures annexed as Exhibit A to the Plan which will allow for submission and approval of bids over and above the Stalking-Horse Bid. Any Stalking Horse Bidder shall not be entitled to any break-up fee, termination fee, or similar type of payment or reimbursement. Connect REO, LLC. shall be paid on the Distribution Date pursuant to said 11 U.S.C. §363 sale procedures and be paid over the Net Sale Proceeds up to the Allowed Amount of its Class 2 Claim plus interest at the Legal Rate and accrued legal fees and costs through the date of sale from the Petition Date through the payment date ("Total Claim Due"), after payment of administration claims. In the event said Net Sales Proceeds are insufficient to cure the Total Claim Due owing to Connect REO, LLC, then the remaining Total Claim Due ("Deficiency Claim") shall be paid in accordance with the additional sale provisions set forth in this Plan and in the Chapter 11 companion cases Uncas, LLC, case # 16-50849 and Michael Calise, case# 16-51070 until paid in full. Upon confirmation of this case, Connect REO, LLC shall be entitled to continue to pursue all its default rights under the Loan Documents outside this bankruptcy case in the event the Net Sales Proceeds are insufficient to cure its Total Claim.

In the event that no Qualified Bid is received during the Listing Period, a sale of the Westport Property shall be immediately conducted and sold via Auction pursuant to the sec 363 sale procedures annexed as Exhibit A to the Plan which will allow for Connect REO, LLC to make a credit bid in the Minimum Bid amount with opportunity for submission and approval of bids over and above the a credit bid made by Connect REO, LLC. Connect REO, LLC shall not be required to remit a Qualified Deposit. In the event no such bid is made over and above the credit bid made by Connect REO, LLC, then Connect REO, LLC shall take title to the Property upon approval by the Court wherein the amount of its Total Debt will be reduced by the Credit Bid. The Loan Documents shall remain in full force and effect after closing of Connect REO's Qualifying Bid, including continued prosecution of its foreclosure, any indemnity, deficiency, and other rights.

Class 3

Classification – Connect REO, LLC. Secured Claim against the Personal Property

pursuant to the Loan Documents.

Treatment – Personal Property: The Personal Property shall be listed for sale by the Plan Administrator through a commercially reasonable sale at or about its current fair market value. In order to effectuate this sale, the Plan Administrator shall either retain an appropriate Auctioneer or other Broker to advertise the Personal Property for Sale pursuant to an order of the Court. Any offer to purchase the Personal Property shall be subject to a Motion to Sell under 11 U.S.C. §363 filed with this court with opportunity for higher and better offers. Any offer to purchase the Personal Property shall be subject to a Motion to Sell filed with this court with opportunity for higher and better offers. In the event a higher and better offer is made, a sale of the Personal Property shall be conducted and sold via Auction before this Court at a time and date to be set by the Plan Administrator. Connect REO, LLC shall be allowed to make a credit bid. Prior to listing the Personal Property for sale, the Plan Administrator will seek a list of all Personal Property that is subject to the UCC1 from the Debtor and or through a Court Order of this court.

Voting – Impaired and entitled to vote to accept or reject the Plan.

Class 4

Classification -- General Unsecured Claims

Treatment -- On the Distribution Date each allowed Class 4 claim shall receive any remaining Net Proceeds available after payment to all Administration Claims, Priority Claims, and Secured Claims as more fully set forth above, including any deficiency owed to Secured Claims pro rata its share of the Net Proceeds. In the event no such Net Sales Proceeds remain, this class shall receive its pro rata share of $3,000.00 to be paid by Connect REO, LLC.

Voting -- Impaired and entitled to vote to accept or reject the Plan.

Class 5

Classification -- Equity Interests

Treatment -- Payment from any Net Sales Proceeds available after payment of administration claims, Class 1-4 Claims, plus any sale of additional assets in this Plan. The Equity Interests will be extinguished after all distributions required by this Plan have been made.

Voting -- Impaired and entitled to vote to accept or reject the Plan.

ADMINISTRATION CLAIMS

Allowed Administrative Expenses shall be paid on the Distribution from the Net Sales Proceeds, or as otherwise agreed to by the parties, or the date such Administrative Expense becomes Allowed, except to the extent that the holder of an Allowed Administrative Expense agrees to a different treatment; provided however, that Allowed Administrative Expenses representing obligations incurred in the ordinary course of business or assumed by the Plan Administrator shall be Paid in full or performed by the Plan Administrator in the ordinary course of business. In the event there are Net Sales Proceeds are insufficient to pay this claim, Administrative Claims shall be paid by that Creditor securing such property.

Connect REO, LLC and its bankruptcy estate shall pay all chapter 11 quarterly fees pursuant to 28 U.S.C. §1930(a)(6) that accrued prior to the date the Confirmation Order becomes a final order ("Final Order Date") and will file all monthly operating reports required through the Final Order Date. Beginning on the day after the Final Order Date and continuing to the entry of a final decree or an order converting the case to chapter 7, the Plan Administrator shall be obligated to pay, from the assets of the Debtor's bankruptcy estate and/or from the proceeds of the sale, all chapter 11 quarterly fees that accrue pursuant to 28 U.S.C. §1930(a)(6) and will file all monthly operating reports.

MEANS FOR IMPLEMENTATION

Source of Funds -- Payments under the Plan for Classes 1-5 and Administrative Claims shall be paid pursuant to the provisions set forth in those classes. If the Bankruptcy Court determines that an offering plan is necessary to consummate the sale contemplated by the proposed plan, the Plan Administrator will obtain approval of an offering plan and the cost of same will be deducted from proceeds of the auction sale.

The transfer of the Property under the Plan shall be free and clear of all liens, claims and encumbrances, unless otherwise set forth in this plan, with any such liens, claims and encumbrances to attach to the sale proceeds, and to be disbursed under the Plan, provided, however, that any Mortgagee shall have the right, but not the obligation, to provide for an assignment of its mortgage and an assumption by the purchaser in connection with the sale of the Property under the Plan. Secured Creditors shall retain all its deficiency rights and other rights under the Loan Documents.

Release of Liens – Except as otherwise provided for in the Plan, (a) each holder of a Secured Claim, shall upon the sale of the Westport Property and distributions of proceeds to secured creditors (x) turn over and release to the Plan Administrator any and all Collateral that secures or purportedly secures such Claim, as they pertain to the properties currently owned by the Debtor or such Lien shall automatically, and without further action by the Debtor or the Plan Administrator, be deemed released, and (y) execute such documents and instruments as the Plan Administrator requests to evidence such Claim holder's release of such property or Lien. Any deficiency rights of Connect REO, LLC after the sale of the Westport Property shall be preserved for recoupment through the Debtor's companion Chapter 11 cases, Uncas, LLC and Michael Calise.

Stamp Tax -- Under the Plan, pursuant to Bankruptcy Code § 1146(c), (a) the issuance, transfer or exchange of any securities, instruments or documents, (b) the creation of any other Lien, mortgage, deed of trust or other security interest, (c) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with, the Plan, including, without limitation, any

deeds, bills of sale or assignments executed in connection with the purchase of the Property by the Purchaser and any other transaction contemplated under the Plan or the re-vesting, transfer or sale of any real or personal property of the Debtor pursuant to, in implementation of, or as contemplated in the Plan, and (d) the issuance, renewal, modification or securing of indebtedness by such means, and the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, the Confirmation Order, shall not be subject to any applicable document recording tax, stamp tax, conveyance fee or other similar tax, mortgage tax, real estate transfer tax, or other similar tax or governmental assessment including without limitation Connecticut Real Property Transfer Tax and Connecticut Documentary Tax.

Execution of Documents -- After the sale of the Westport Property as contemplated by the Plan, the Plan Administrator shall be authorized to execute, in the name of any necessary party, any notice of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved in the Plan and deliver such notices to any and all federal, state and local governmental agencies or departments for filing and recordation.

Recording Documents -- Each and every federal, state and local governmental agency or department shall be authorized to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transaction contemplated by the Plan, including, but not limited to any and all notices of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved by the Plan, and the Confirmation Order.

LIQUIDATION ANALYSIS

In liquidation under Chapter 7 of the Bankruptcy Code, the Debtor's assets would be sold and the sale proceeds distributed to creditors in their order of priority. The Plan provides a better return for the Debtor's estate than could be achieved in liquidation under Chapter 7 and reduces the costs associated with the sale of the Property. *See e.g.,* Bankruptcy Code § 1146(c).

Furthermore, a Chapter 7 Trustee represents an additional layer of administration legal expenses and commissions, which the Proponent estimates would total at least 10% of the sale proceeds.

Connect Reo, LLC does not anticipate any litigation except post-confirmation potential avoidance actions, objection to Connect REO, LLC's Proof of Claim filed by the Debtor, potential claims for monies loaned by the Debtor to insiders and for avoidance of monies during the applicable preference period.

PAYMENT OF CLAIMS AND OBJECTIONS TO CLAIMS

Effective as of the Confirmation Date, Roberta Napolitano shall be Plan Administrator until she is unwilling or unable to serve in such capacity in which Connect REO, LLC shall select a successor Plan Administrator by the filing with the Court of a notice of the appointment of a successor Plan Administrator. The Plan Administrator shall be disbursing agent under the Plan without a bond *provided however,* that all estate funds shall remain in the DIP account and the Plan Administrator shall be the sole signatory over the DIP accounts as of the Confirmation Date. The Plan Administrator shall have the obligations set forth in Sections 1106 and 1107 of the United States Bankruptcy Code. The Plan Administrator shall have the authority to close the Debtor's DIP and other bank accounts of the Debtor.
All objections to Secured Claims shall be filed so that they are adjudicated prior to the auction contemplated in the Sale and Auction Procedures annexed to this Plan as Exhibit A, except for the Objection filed to Connect REO, LLC's Proof of Claim which will be adjudicated after sale of the Debtor's properties as more fully set forth in the Plan. Any objection not adjudicated prior to the Auction shall not prevent the claim holder from making a credit bid in the full amount of its claim at the auction.

The Plan Administrator reserves its right to file objections to General Unsecured Claims in the event grounds exist to object to particular claims, for a period of 20 days after the Confirmation Date. On the initial distribution date and on each distribution date as may

thereafter be necessary, the Plan Administrator shall maintain an Undetermined Claims distribution reserve for the holders of Undetermined Claims as of such date in a sum not less than the amount required to pay each such undetermined claim if such claim was allowed in full. To the extent that an undetermined claim becomes an Allowed Claim, the distributions reserved for such Allowed Claim, shall be released from the Undetermined Claims distribution reserve and paid to the holder of such Allowed Claim. After all the amounts of all Undetermined Claims have been fixed, the balance of the Undetermined Claims distribution reserve shall thereafter be paid in accordance with the Plan.

On and after the Confirmation Date, the Plan Administrator shall have the exclusive power sell the Property pursuant to 11 U.S.C § 363 and the terms of this Plan. In addition, the Plan Administrator shall have the exclusive power to: (a) take all steps and execute all instruments and documents necessary to effectuate the Plan; (b) make distributions contemplated by the Plan; (c) employ, retain, or replace professionals to represent him with respect to her responsibilities; (d) take actions to liquidate any remaining property of the Estate in a reasonable manner; (e) receive any Cash on account of any amounts owing to Debtor; (f) pursue any cause of action the Estate may possess, (including without limitation any avoidance action under the Bankruptcy Code), (g) object to the allowance of any Claim or fee application that has not been Allowed pursuant to a Bankruptcy Court order and (h) make a final report and file a final account of the administration of the Estate with the Bankruptcy Court and with the United States Trustee. With approval from the Bankruptcy Court, after the Effective Date the Plan Administrator shall remit any hourly legal fees incurred to Connect REO, LLC as they are incurred of which shall be paid within 30 days. In addition and with regard to the commencement, prosecution and/or settlement of the causes of action, the Plan Administrator shall be reimbursed from Connect REO, LLC for all costs and expenses (including attorney fees or any other costs of employing or retaining agents) incurred by the Plan Administrator in performing, or in connection with, her duties, rights, and obligations set forth in the Plan,

provided, however, that such fees and expenses shall be paid from the proceeds of amounts recovered by the Plan Administrator and not from the proceeds of the sale of the Property. Neither the Plan Administrator, nor any of her employees, advisors, attorneys, accountants, financial consultants, agents and contractors and their successors and assigns shall have or incur any liability to any holder of a Claim or Interest, or to any other entity for any act or omission in connection with, related to, or arising out of, the pursuit of confirmation of, the consummation of, or other administration of the Plan or the property to be distributed or otherwise dealt with under the Plan, except for gross negligence or willful misconduct, and in all respects the Plan Administrator and each of her employees, advisors, attorneys, accountants, financial consultants, agents and contractors shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. No current holder of a Claim or an Interest, or representative thereof, shall have or pursue any claim or cause of action against the Plan Administrator for making payments in accordance with the Plan, or for implementing the provisions of the Plan. The Plan Administrator shall not be liable for obligations relating to Allowed Claims to the extent that Allowed Claims are not paid in full (other than as a result of the Plan Administrator's gross negligence or willful misconduct).

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

All leases and executory contracts not rejected prior to the Effective Date shall be assumed under the Plan and all tenant leases shall be assumed. In the event of a rejection which results in damages, a Proof of Claim for such damages must be filed by the damaged party with the Court within sixty (60) days after the Effective Date. All Allowed Claims arising from the rejection of any Executory Contract or unexpired lease shall be treated as an Unsecured Claim. Any Claim arising from the rejection of any Executory Contract or unexpired lease not filed with

the Court within the time period provided in the preceding paragraph above shall be deemed discharged and shall not be entitled to participate in any distribution under the Plan.

MANAGEMENT OF THE DEBTOR

Post-confirmation management of the Property, if required, will be selected and retained by the PlanAdministrator on such terms and conditions as the Plan Administrator deems necessary and appropriate. Bankruptcy Court approval will not be required for the retention and/or payment of a property manager of which shall be paid by Connect REO, LLC with regards to the Westport Properties.

Post-confirmation and prior to the sale of the Property, the Property will remained owned by the Bankruptcy Estate of Post East, LLC. The Plan Administrator will be responsible for filing the tax returns for the bankruptcy estate due after confirmation.

TAX CONSEQUENCES

The Proponent does not believe that there will be any negative tax consequences to the Debtor or to Creditors under the Plan. To the extent that a creditor is not paid in full under the Plan, such creditor may be entitled to a bad debt deduction. To the extent that a creditor has taken a bad debt deduction, Plan distributions may be taxable as income.

THE PROPONENT DOES NOT PURPORT, THROUGH THIS DISCLOSURE STATEMENT, TO ADVISE THE CREDITORS OR INTEREST HOLDERS REGARDING THE TAX CONSEQUENCES OF THE TREATMENT OF THE CREDITORS AND INTEREST HOLDERS UNDER THE PLAN. CREDITORS AND INTEREST HOLDER SHOULD SEEK INDEPENDENT COUNSEL CONCERNING THE TAX CONSEQUENCES OF THEIR TREATMENT UNDER THE PLAN.

PLAN ALTERNATIVES

Generally the plan options for real estate cases include selling, refinancing, recapitalizing or loan modification. The Debtor has not proposed a confirmable plan. There appears to be no interest in recapitalization or refinancing on market based terms. In this case, therefore, the

Proponent believes that selling the Property is the only viable alternative.

VOTING PROCEDURES AND REQUIREMENTS

A ballot to be used for voting to accept or reject the Plan is enclosed with this Disclosure Statement. Each creditor is entitled to execute the ballot, and return it to the undersigned to be considered for voting purposes. The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received no later than , (TBD) 2017, at the following address: Attn: Linda St. Pierre, McCalla Raymer Leibert Pierce, LLC, 150 Weston Street, Hartford, CT 06120.

Each Creditor of the Debtor whose Claim is impaired under the Plan is entitled to vote, if either (i) its Claim has been scheduled by the Debtor, or (ii) it has filed a Proof of Claim on or before the last date set by the Bankruptcy Court for such filings.

Any Claim as to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless the Bankruptcy Court temporarily allows the Claim in an amount which it deems proper for the purpose of accepting or rejecting the Plan upon motion by a Creditor whose Claim is subject to an objection. Such motion must be heard and determined by the Bankruptcy Court prior to the date established by the Court to confirm 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.

The Bankruptcy Code defines acceptance of a Plan by a class of Creditors as acceptance by holders of two-thirds in dollar amount and a majority in number of the Claims of that class which actually cast ballots for acceptance or rejection of the Plan.

The Bankruptcy Code defines acceptance of a Plan by a class of Interests as acceptance by holders of two-thirds in amount of the allowed Interests of such class held by holders of such interests.

CONFIRMATION OF THE PLAN

Section 1128(a) of the Bankruptcy Code requires that the Bankruptcy Court, after notice,

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.

By order of the Bankruptcy Court dated , (TBD) 2017, the Confirmation Hearing has been scheduled for , 2016, at .m., in The Honorable Ann Nevins Courtroom, 18th Floor, 157 Church Street, New Haven, 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 adjourned Confirmation Hearing. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court with proof of service and served upon the following on or before , 2017: McCalla Raymer Leibert Pierce, LLC 50 Weston Street, Hartford, Connecticut 06120, Attn: Linda St. Pierre Facsimile: (860) 240-9256.

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied to enter an order confirming the Plan. The applicable requirements are as follows: (a) The Plan complies with the applicable provisions of the Bankruptcy Code, (b) the Proponent has complied with the applicable provisions of the Bankruptcy Code; (c) the Plan has been proposed in good faith and not by any means forbidden by law, (d) any payment made or promised or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable, (e) the Proponent has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a Plan with the Debtor, or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and equity security holders and with public policy, and the Proponent has disclosed the identity of any

insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider, (f) with respect to each class of impaired Claims, either each holder of a Claim or interest of such class has accepted the Plan, or will receive or retain under the Plan on account of such Claim or interest property of a value, as of the Effective Date of the Plan, an amount that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code, (g) each class of Claims or interests has either accepted the Plan or is not impaired under the Plan, (h) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expenses and priority Claims will be paid in full on the Effective Date, (i) at least one class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim of such class, and (j) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtor or any successors to the Debtor under the Plan unless such liquidation or reorganization is proposed in the Plan.

The Proponent believes that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Proponent has complied or will have complied with all of the requirements of Chapter 11, and that the proposals contained in the Plan are made in good faith.

Connect REO, LLC contends that holders of all Claims impaired under the Plan will receive payments under the Plan having a present value as of the Effective Date in amounts not less than the amounts likely to be received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

CRAMDOWN

In the event that any impaired class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Proponent if, as to each impaired class which has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and

equitable."

Connect REO, LLC intends to invoke the cramdown provisions of section 1129(b) as to any impaired class that does not accept the plan.

A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives less than it is legally entitled to receive for its Claims or equity interests. "Fair and equitable" has different meanings for Secured and Unsecured Claims. With respect to a Secured Claim, "fair and equitable" means either: (a) the impaired Secured Creditor retains its Liens to the extent of its Allowed Claim and receives deferred cash payments at least equal to the allowed amount of its Claim with a present value as of the Effective Date at least equal to the value of such Creditor's interest in the property securing its Liens; (b) property subject to the Lien of the impaired Secured Creditor is sold free and clear of that Lien, with that Lien attaching to the proceeds of the sale; or (c) the impaired Secured Creditor realizes the "indubitable equivalent" of its Claim under the Plan.
With respect to an Unsecured Claim, "fair and equitable" means either: (a) each impaired Unsecured Creditor receives or retains property of a value equal to the amount of its Allowed Claim; or (b) the holders of Claims and Interests that are junior to the Claims of the dissenting class will not receive any property under the Plan.

In the event one or more classes of impaired Claims rejects the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Claims.

CONCLUSION

Connect REO, LLC urges the Debtor's Creditors to vote to accept the Plan and to evidence such acceptance by returning their ballots so that they will be received no later than

CONNECT REO, LLC
Plan Proponent

By: /s/ Linda St. Pierre, Esq.
Linda St. Pierre, Esq. (ct22287)
McCalla Raymer Leibert Pierce, LLC
50 Weston Street
Hartford, Connecticut 06120
Telephone: (860) 240-915
Facsimile: (860) 240-9256
linda.st.pierre@mccalla.com
Attorneys for Proponent Connect REO, LLC