

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF CONNECTICUT**

**In Re:** Case No. 16-50849 (AMN)  
**UNCAS, LLC** Single Asset Real Estate Case  
**Debtor**

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**DEBTOR'S FIRST AMENDED DISCLOSURE STATEMENT  
DATED JUNE 19, 2017**

**1. INTRODUCTION**

This is the disclosure statement (the "Disclosure Statement") in the single asset real estate chapter 11 case of Uncas, LLC (the "Debtor"). This Disclosure Statement contains information about the Debtor and describes Debtor's First Amended Plan of Reorganization Dated June 19, 2017 (the "Plan"). A full copy of the Plan is served upon you with this Disclosure Statement. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney you may wish to consult one.*

The proposed distributions under the Plan are discussed at pages 6-8 of this Disclosure Statement. General unsecured creditors are classified in Class 3 and shall receive payment of the full principal amount of their claims in six equal monthly payments commencing on the Effective Date of the Plan.

**A. Purpose of this Document**

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,
- Why Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan

Be sure to read the plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed establish your rights.

**B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

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

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

The hearing at which the court will determine whether to confirm the Plan will take place on **[Insert date]**, at **[insert time]**, at the United States Bankruptcy Court for the District of Connecticut, New Haven Division, 157 Church Street, New Haven, CT 06510.

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

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot to counsel to Debtor: Carl T. Gulliver, Coan, Lewendon, Gulliver & Miltenberger, LLC, 495 Orange Street, New Haven, CT 06511; Email [Cgulliver@coanlewendon.com](mailto:Cgulliver@coanlewendon.com), or Facsimile (203) 865-3673. See Section IV.A. below for a discussion of voting eligibility requirements.

3. *Deadline for Objecting to the Confirmation of the Plan*

Objections to the confirmation of the Plan must be filed with the Court and served upon counsel to Debtor, Carl T. Gulliver (see paragraph 2 above for service address) by **[insert date]**.

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

If you want additional information about the Plan, you should contact counsel to Debtor, Carl T. Gulliver.

**C. Disclaimer**

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

**II. BACKGROUND**

**A. Description and History of the Debtor's Business**

The Debtor is a Connecticut limited liability company officially registered with the Secretary of State in December 1999. The company is owned at this time 5% by Michael Calise and 19% each by his five adult children. The sole asset of this estate is real estate known as 2A Owenoke Park in Westport, Connecticut (the "Property"). The Property is open land largely surrounded by water with water views in most directions. It is improved by a private road and sewer. The Property, about 7 acres of which is uplands or above water level, is located within Gray's Creek and is connected to the mainland by a 40 foot neck of land on which the private roadway is located. It is in the Compo-Owenoke Historic District

of Westport. At the time he first purchased the Property, Mr. Calise obtained approval by Planning and Zoning in Westport for development of a single family home. No building was commenced and the approval lapsed by passage of time.

In 2008 Mr. Calise was approached by Fairfield County Bank proposing a loan (the "2008 Loan") to refinance debt on another property of which he as 100% owner, 740-748 Post Road East, Westport (the "Post East Property"), and to provide financing to him for the purpose of completing fit up of space the bank was to rent in a third property he owned called 215 Post West (the "Post West Property"). The bank required that the Post East Property be transferred to a new LLC which Mr. Calise called Post East LLC.

The 2008 Loan from Fairfield County Bank was in the sum of up to \$1,127,270 of which the borrowers, Post East LLC and the Debtor, Uncas LLC, were required by the bank to loan back \$500,000 to Mr. Calise for use in the fit up of the bank's space in the Post West Property. The loan documents show that the borrowers were further obligated to take back a note from Mr. Calise for \$500,000, and a mortgage on the Post West Property and then further required to simultaneously transfer the note and mortgage to the bank as additional collateral for the 2008 Loan. The balance of the loan proceeds were used to refinance previously existing first mortgage debt on the Post East Property. Debtor does not believe that Uncas benefited directly from the loan, but Uncas was required by the bank to execute the note and secure the note with a second mortgage on the Debtor's Property.

The Uncas limited liability company was formed in December 1999 and in June 2000 received its sole asset, real estate at 2A Owenoke Park, Westport (the "Uncas Property"). This company is owned at this time 5% by Mr. Calise and 19% each by his five children. The 2008 Loan was executed as borrower by Post East and Uncas, and as guarantor by Mr. Calise and his daughter Sandra Cenatiempo who is one of the members holding 19% each of Uncas.

Fairfield County Bank sold the 2008 Loan, and the several mortgages securing it, along with other secured notes owed by Uncas and by Mr. Calise, to an entity that ultimately transferred the debt, at least as to the 2008 Loan, to Connect REO, LLC ("Connect REO"). (Mr. Calise has questioned whether Connect REO has received assignment of certain loans including a large first mortgage on the Post West Property.) Connect REO at first accepted payments from the several debtors on the various loans it purchased, but eventually it learned that real property taxes had gone unpaid to the Town of Westport. The inability to pay the Town arose during a period of difficulty with certain tenants of the other properties which has long been resolved. Mr. Calise had reached an agreement to catch up with the Town. Nonetheless, ultimately Connect REO asserted that Debtor had breached, at a point well prior to it becoming the owner of the documents, various loan documents which it claimed gave it the right to accelerate the notes. Moreover Connect REO asserted that the loan documents gave it the right to assert that default interest, in addition to the contract rate of interest that had been paid in the normal payments, was due from the first date of the alleged breaches. Connect REO sued Post East, Uncas and the two guarantors on the 2008 Loan, and Mr. Calise on other debt it held as well. It sought to foreclose on the Property held by this Debtor, and the Post East Property, Post West Property and Mr. Calise's home. It filed pre-judgment remedy attachments on assets of Mr. Calise and Ms. Cenatiempo, and sought appointment of a receiver of rents on the Post East property. At that juncture Post East, and then Uncas, determined each should file for protection from its creditors and the opportunity to reorganize in chapter 11.

**B. Insiders of the Debtor**

“Insiders” is defined in the Bankruptcy Code at Section 101(31) to include officers and people in control of the Debtor, and their relatives. For this Debtor insider includes Michael Calise.

**C. Management of the Debtor**

By agreement of the members in the resolution authorizing this Chapter 11 filing, Debtor has been managed throughout these Chapter 11 proceedings by member Michael Calise.

After the Effective Date of the Plan the Debtor will continue to be managed Michael Calise, the “Post Confirmation Manager.” The Post Confirmation Manager’s duties and responsibilities are described in Section III.D.2. of this Disclosure Statement.

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

The Debtor commenced the Chapter 11 proceeding by the filing of a voluntary petition in the United States Bankruptcy Court for the District of Connecticut on June 28, 2016 (the “Petition Date”). The case is assigned to Bankruptcy Judge Ann M. Nevins sitting in the New Haven Division. The Debtor requested that it be authorized to retain Attorney Carl Gulliver and his firm Coan Lewendon Gulliver & Miltenberger, LLC, of New Haven, Connecticut, as Debtor’s general chapter 11 counsel. The Debtor’s application and counsel’s statement filed herein pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Rules”) disclosed that the funds for counsel’s retention were provided by Mr. Calise, the Debtor’s sole member. The Court entered an order authorizing the retention on August 8, 2016.

Debtor filed schedules and other required documents, attended its meetings with the Office of the United States Trustee and meetings of creditors, and has remained current with real property tax obligations and other charges throughout these proceedings, mainly with funds contributed by Mr. Calise through his real estate company, Settlers and Traders Real Estate Company.

Connect REO filed three proofs of claim in the case, two of which appear identical, each 385 pages in length and asserting a claim totaling about \$2,030,000, almost half of which is interest, default interest, fees, and costs. Debtor filed an objection to these claims on several grounds and the amount in which the claim or claims may be allowed is still pending before the Court.

Debtor through Mr. Calise considered and investigated various possible resolutions of the Connect REO loans including sale and refinancing separately and together in combination with non-debtor real estate.

As noted above, Post East, LLC, has an obvious connection to this Debtor in that its property also is collateral for one of the Connect REO loans in this case. Post East commenced a Chapter 11 case in this Court the day before Uncas. That case is designated 16-50848. Mr. Calise individually also filed chapter 11 in this court, Case No. 16-51070, on August 5, 2016. Thus the Post West Property, the Post East Property, and the property of this Debtor, which all secured the repayment of the 2008 Loan, are

assets of three different chapter 11 Debtors. In each of these cases the Court has entered a scheduling order requiring the respective debtors to file a plan and disclosure statement no later than March 31, 2017, and by a later scheduling order to file amended documents by June 19, 2017. These debtors have sought to coordinate their plans in certain respects.

Debtor hired a mortgage broker, Chappo, LLC, along with the associated Chapter 11 Debtors, Mr. Calise and Post East, pursuant to Court Order in November 2016. The principal of Chappo, LLC, Richard Chappo, obtained an offer from Savings Bank of Danbury (“SBD”) to refinance Debtor’s Property along with that of Post East, and a third piece owned by Westport Fish & Poultry Market, LLC located at 732 Post Road East (the “Fish & Poultry Property”). The offer (the “Proposed SBD Refinance”) is set forth in a term sheet appended hereto as Exhibit A.

In the proposed plans of Uncas and Post East the respective debtors submit for refinance, or if necessary for sale, the collateral of each Debtor that secures the 2008 Loan. The Proposed SBD Refinance is not expected to pay the Connect REO claims in full and, therefore, if the holder of these claims refuses to settle the liabilities in full for the net proceeds, or if the proposed refinance with SBD fails to close for some other reason, each proposed plan provides an opportunity for an alternative refinance prior to marketing the real estate for a sale. In this case and in the Post East proceeding, the proposed plans provide a period for obtaining an alternative refinance of the respective debtor’s property alone, or with each other, and ultimately if necessary a sale of each of the properties with marketing periods to commence after one year.

While the gross proceeds offered in the Proposed SBD Refinance shall be up to \$2.7 Million, approximately \$982,000 of mortgages to third parties on the Fish and Poultry Property will have to be paid, plus commissions, fees, costs, and adjustments estimated at \$75,000, leaving an estimated \$1,643,000 for settlement of loans upon which Connect REO claims far more; however, Mr. Calise estimates the amount available may pay on the Connect REO loans owed by Debtor and Post East all principal and interest at the applicable contract rates and a substantial amount in settlement of disputed fees, costs, and default interest after credit of all post-petition payments made by Post East on the loan secured by both properties.

Thus the refinance with SBD is offered as the best possible settlement with Connect REO, likely to be ready to close in the very near term; however, the plan is drafted so as to recognize that Connect REO may decide to reject the offered refinance, or some other problem could develop in the ability to close the loan. Thus, if the Proposed SBD Refinance fails to close within 60 days of the Effective Date, the plan provides alternatives for payment of the claim of Connect REO, and also provides for payment of other creditors, taxes and holders of administrative expenses as described in detail below.

The Proposed SBD Refinance that Debtor proposes herein as the basis of the Plan is the second loan option identified by Mr. Chappo. The refinance proposed in Debtor’s original proposed Plan, ECF No. 94, with a different bank, included among the properties collateralizing the loan the Post West Property in Mr. Calise’s personal Chapter 11 case. Debtor and Mr. Calise believe the Proposed SBD Refinance, coupled with the simultaneously filed revised plan in Mr. Calise’s case, provide Connect REO with a better opportunity for a superior recovery in a reasonable time. The Post West Property at this time adds only limited additional funding for a refinance because of a vacancy of its main tenant space, yet it has the highest sales value of the various properties comprising Connect REO’s collateral in

these related cases. Because the Proposed SBD Refinance does not require the Post West Property as additional collateral, the revised plan proposed by Mr. Calise is able to provide for immediate marketing of the Post West Property for sale in a manner designed to maximize value while allowing a prompt initial recovery of significant value in this case and the Post East case from the refinance with SBD.

**E. Avoidable Transfers**

Debtor believes, after review of its records, that there are no avoidable transfers.

**F. Claims Objections**

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan. Any objection to claims shall be filed not later than fourteen (14) days after approval of this Disclosure Statement.

**G. Financial Information**

The sole asset of this estate is the Debtor's real estate. At this time the property generates no income.

The two most recent appraisals available to the Debtor include an appraisal ordered by Connect REO and dated as of March 22, 2016 and made a part of the record of this case as an exhibit to Docket Number 63 (the "Creditor's Appraisal") and an appraisal ordered by the Debtor and dated as of November 8, 2014. The Debtor's Appraisal is appended hereto as Exhibit B. The valuations differ significantly. The Debtor's Appraisal valued the Property at \$2,700,000, and the Creditor's Appraisal valued the Property at \$800,000.

The Debtor's Appraisal finds the highest and best use to be single family building lot. It notes the lot requires municipal approvals and permits. *Debtor's Appraisal*, p. 1. The valuation is based on the sales comparison approach. *Debtor's Appraisal*, p. 8. The exposure and marketing time, defined as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale" is stated to be twelve months. *Debtor's Appraisal*, p. 9.

The Creditor's Appraisal is founded on what is acknowledged therein as an "Extraordinary Assumption." The Extraordinary Assumption is that the Property cannot be developed and that the Property "functions as open space." *Creditor's Appraisal*, p. 2. While the Creditor's Appraisal notes that permission of several different agencies would be required, and that permits were granted in 1989 for a single family house and "subsequently voided," (*Creditor's Appraisal*, cover letter) the "highest and best use of the land as vacant is assumed to be open space, conservation, or recreation land." *Creditor's Appraisal*, p. 27. The appraisal says, "Considering the Extraordinary Assumption that the site cannot be developed, the typical buyer for the subject is a not-for-profit group for recreational use, an abutter for buffer land, the Town of Westport, a local land trust for the preservation of open space, and similar groups." *Creditor's Appraisal*, p. 30. The Creditor's Appraisal suggests "an exposure time and marketing period of twelve to twenty-four (12-24) months." *Creditor's Appraisal*, p. 35.

Although the Uncas Property generates no cash flow, to demonstrate feasibility of the Proposed SBD Refinance, Debtor relies on the annual net cash flows before debt service of the Post East Property and the Fish & Poultry Property, which are \$79,710 and \$122,629, respectively, for a total of \$202,339. The operating budgets showing the owner’s costs and income are attached as Exhibits B-1 and B-2. The required debt service projected by Debtor for the Proposed SBD Refinance is estimated at about \$198,969 annually based on the expected loan amount of \$2,700,000 amortized over 25 years at five and one-half percent (5.5%) interest. Thus the properties can pay the debt service even without any rental increases and still maintain some reserves.

Debtor submits that the Proposed SBD Refinance is the best means of achieving a fair return to Connect REO within a reasonable timeframe. The Proposed SBD Refinance may cost about \$75,000 to close including broker’s commission, fees and adjustments. After payoff of the existing Westport Fish & Poultry mortgages of about \$982,000, Net Refinance Proceeds are estimated at \$1,643,000. Connect REO, as discussed above, asserts total claims against Debtor and Uncas substantially in excess of that sum, but in analyzing the projected recovery, Debtor first estimates the principal and outstanding interest at the rates it believes applicable if the loans were current. On the two Connect REO loans secured by the Debtor’s property and that of Post East these estimates are as follows:

Property	<u>740 Post Road West</u>	<u>2A Owenoke</u>	
Principal Amount	1,043,016	247,950	
Contract Interest Rate	0.05125	0.06000	
Estimated Interest Accrued (based on 46 months)	<u>204,909</u>	<u>57,028</u>	
Total	1,247,925	304,978	
 Adequate Protection Payments	 60,000	 0	
Net	1,187,925	304,978	
		Total	1,492,903

Thus the total due at the currently applicable original note rates of interest, after deducting “adequate protection” payments made by Debtor to Connect REO during this chapter 11 case, is about \$1,493,000. Assuming the Net Refinance Proceeds will be about \$1,643,000, an estimated \$150,000 will be available to settle the claims of Connect REO for the disputed fees, charges, and default interest.

**III. SUMMARY OF THE DEBTOR’S CHAPTER 11 PLAN AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

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

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

**B. Unclassified Claims**

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

1. *Administrative Expenses*

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

The largest component of the Administrative Expenses in this case is the fees owed to the Debtor’s chapter 11 counsel, Coan Lewendon Gulliver & Miltenberger, LLC. Said counsel received from the personal funds of the Debtor’s principal a retainer for costs and fees of \$15,500 prior to the filing of the petition commencing this case and at that date held the balance of \$12,302. Counsel estimates that total fees and costs from June 2016 through the Confirmation might be about \$34,000 leaving an estimated balance due and owing of about \$22,000.

Note that amounts of Administrative Expenses of Debtor’s chapter 11 professional set forth herein are estimated for convenience only. Amounts of such Administrative Expenses set forth herein are projected and estimated, based on a relatively straightforward path to confirmation, and ultimately are fully subject to review and approval of the Bankruptcy Court. Actual amounts through Confirmation may be more or less. Administrative Expenses in connection with confirmation, particularly if disputed, can be significant and any estimate would be speculative and could be misleading.

The following Chart lists the Debtor’s estimated administrative expenses and their proposed treatment under the Plan:

Type	Estimated Amount	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$0	Paid in full on the Effective Date of the Plan, or According to terms of obligation if later
Professional fees, subject to approval by the Court, estimated as of Effective Date, after application of retainer	\$22,000	Paid after Allowance, on or after the Effective Date of the Plan, in accordance with agreement that maybe reached between Debtor’s principal and counsel
Clerk’s Office fees	\$0	Paid in full on the Effective Date of the Plan
Other Administrative expenses	\$0	Paid in full on the Effective Date of the Plan or



		According to separate written agreement
Chapter 11 Quarterly Fees	\$325	Paid in full on the Effective Date of the Plan
Total	\$22,325	

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding five (5) years from the order of relief. In this case no priority claims have been filed.

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

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

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor’s bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor’s claim is less than the amount of the creditor’s allowed claim, the deficiency will be classified as a general unsecured claim. In this case the collateral for secured Classes 1 is Debtors’ real property and rentals therefrom. As indicated above, Debtor has objected to the Class 2 secured claims of Connect REO.

Class #	Description	Impairment	Treatment
1	Connect REO, LLC-First Mortgage	Impaired	Class 1 shall be paid the monthly sum of \$1,487 of principal and interest as described in Subsection D below until settled or paid and shall receive cash within 60 days of the Effective Date upon the closing of the Proposed SBD Refinance equal to the Debtor’s Share of Net Refinance Proceeds in full settlement of the Class 1 Claim, or, should such closing not occur, then cash at closing upon an Alternative Refinance within one year of the Effective Date, or should such closing not occur, then cash at closing upon a sale of the Property in accordance with provisions set forth in Subsection D. From the Alternative Refinance or sale the holder of the Class 1 claim shall receive full payment of its Class 1 claim, to the extent Allowed, with any outstanding interest at the applicable rate under the contract, without application of the default provisions, to date of payment. The Class 1 claim shall retain its lien upon the assets of the Debtor until paid.
2	Connect REO, LLC – Second Mortgage	Impaired	The remainder, if any, of cash available from the Debtor’s Share of Net Refinance Proceeds payable at closing of the Proposed SBD Refinance in full settlement up to the Allowed amount of the Class 2 claim, or, should such closing not occur, Class 2 shall be paid cash at closing upon an Alternative Refinance within one year of

			the Effective Date, or should such closing not occur then cash at closing upon a sale of the Property in accordance with provisions set forth in Subsection D. From the Alternative Refinance or sale the holder of the Class 2 claim shall receive full payment of its Class 2 claim, to the extent Allowed, with any outstanding interest at the contract rate, without application of the default provisions, to date of payment. The Class 2 claim shall retain its lien upon the assets of the Debtor until paid.
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3. *Class of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan’s proposed treatment of Class 3 which contains general unsecured claims against the Debtor.

3	General Unsecured Claims	Impaired	100% without interest payable in cash in six monthly payments commencing on the Effective Date and the same date of the five succeeding calendar months each equal to one-sixth (1/6) of the Allowed Claim.
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4. *Class of Equity Interest Holders*

Class 4 Equity interest holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company (“LLC”), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

In this case 5% of the membership interest is held by Michael Calise and 19% each is held by his five children. The following chart sets forth the Plan’s proposed treatment of the class of equity interest holder:

4	Equity Interests	Impaired	Members shall maintain their Equity Interests but subject to management obligations under the Plan and compliance with the Plan.
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**D. Means of Implementing the Plan and Feasibility of the Plan**

The plan proposes closing within 60 days of the Effective Date a new loan with SBD (the “Proposed SBD Refinance”) upon which Uncas, LLC and Post East, LLC, (together the “Debtor Obligors) and Westport Fish & Poultry Market, LLC shall be obligors, and which shall be secured by first mortgage liens on the following properties:

- 740-748 Post Road East, Westport, owned by Post East, LLC

- 2A Owenoke Park, Westport, owned by Uncas, LLC
- 732 Post Road East, Westport, owned by Westport Fish & Poultry Market, LLC, which entity is managed by and is owned 50% by Michael Calise.

SBD has requested guarantees on the loan by Michael Calise, one of the members of the Debtor and also a Chapter 11 Debtor in this Court, and by other individual owners of Debtor and Westport Fish & Poultry, LLC.

The net proceeds of the loan available for disbursement to Connect REO (the “Net Refinance Proceeds”) are the remaining proceeds after paying all loan costs and adjustments at closing, bank and broker fees and commissions of the loan, and the payoff balance of the first and second mortgages held by third parties (creditors other than Connect REO) on the property owned by Westport Fish & Poultry Market, LLC. With the Net Refinance Proceeds the Debtor Obligor on the Proposed SBD Refinance seek to settle two Connect Reo liabilities (the “Included Loans”) and three Connect Reo mortgages as follows:

- the loan in the principal amount as of August 2016 of about \$1,043,016 secured by a first mortgage on 740-748 Post Road East and also secured by a second mortgage on 2A Owenoke Park, and
- the loan in the principal amount as of August 2016 of about \$247,950 secured by a first mortgage on 2A Owenoke Park.

The Proposed SBD Refinance is contingent on achieving certain agreements including the following:

- Agreement with Connect REO to accept Net Refinance Proceeds amount in full settlement on each of the Included Loans
- Westport Fish & Poultry Market LLC agreeing that it releases any claim to proceeds but for payoff of its mortgages
- Appraisal valuations allowing up to 70% loan to value ratio and 125% available cash flow over interest expense.

In the alternative, should Debtor fail to satisfy a contingency set forth in the foregoing discussion, or for some other reason become unable to close on the Proposed SBD Refinance, Debtor shall seek to refinance (the “Alternative Refinance”) the Property by itself or in conjunction with Post East, LLC, in an amount sufficient to net adequate funds to pay the Allowed Class 1 claim of Connect REO with interest at the rate of 5.125%, the applicable contract rate without application of default provisions, to date of payment less any payments to Connect REO made by Post East since the Petition Date. If any claim dispute is yet to be resolved, Debtor shall escrow the disputed portion consistent with the terms of Article V of the Plan.

If no such Alternative Refinance is achieved within one year of the Effective Date, Debtor shall, within thirty (30) days of the one-year anniversary of the Effective Date obtain an appraisal of the Property for determination of a listing price to be set at the appraisal value plus 15%, and then to proceed to market the Property for sale at fair market value. Class 1 shall be paid the Allowed amount of its secured claim, with interest at the rate of 5.125% through the date of the closing of the Alternative Refinance or the date of the closing of the sale, whichever is earlier, less any payments by Post East to Connect REO since the Petition Date. If a portion of the claim remains disputed at that time, the Reorganized Debtor shall escrow the disputed portion consistent with the terms of the Plan.

Pending refinance or sale, Debtor shall make monthly installment payments to Connect REO upon its Class 1 claim of about \$1,487 commencing on the fifteenth (15<sup>th</sup>) day of the next full calendar month after the Effective Date representing principal and interest amortizing upon a thirty (30) year term with interest calculated per the note terms at the rate of 6% without application of default provisions, upon the outstanding principal as of the Petition Date. Said post-confirmation payments shall continue until a refinance or sale of the Property. Such payments shall be funded if necessary by equity contributions on behalf of Mr. Calise from his company, Settlers and Traders Real Estate Company.

The Class 2 claim in favor of Connect REO and secured by a second mortgage on the Property is also secured by a first mortgage on the Post East Property. Post East has proposed in its plan that it shall maintain payments of \$5679 monthly pending refinance or sale, representing amortization at 5.125% on a 30-year term. Ultimately this Class 2 claim may be treated, in the alternative, by payment from proceeds of any prior refinance or sale of the Post East Property.

In addition, a portion of the Class 1 claim in the principal amount of \$500,000 is secured by a second mortgage on property known as 215 Post Road West, owned by Michael Calise (the "Post West Property"). This portion of the Class 1 claim may be treated in the alternative by payment from proceeds of any prior refinance or sale of the Post West Property.

Pursuant to Section 1146(a) of the Bankruptcy Code, the sale of any assets contemplated herein in furtherance of or in connection with the Plan including, without limitation, the Property, shall not be subject to any stamp, real estate transfer, conveyance, or other similar tax. All transactions contemplated herein shall be exempt from any such tax.

The Plan Administrator shall be Michael Calise.

Through or under the direction of the Plan Administrator, from cash on hand at the Effective Date and future proceeds of its operations, from advances of equity from Michale Calise's business Settlers & Traders Real Estate Company, or any combination thereof, Reorganized Debtor shall disburse funds as provided herein to Allowed Priority Tax Claims, and to professionals holding Allowed Administrative Expenses.

The company assumes and shall pay its normal operating costs and business expenses, whether pending at confirmation or arising thereafter, as and when due. The Reorganized Debtor will pay its post-confirmation legal fees and costs when billed without the necessity of further Court authority.

Secured Creditors whose claims are fully paid or settled shall provide to the closing attorney, upon request, at said claimant's expense, a recordable originally executed release of mortgage.

If all of the applicable requirements of Bankruptcy Code § 1129(a), other than § 1129(a)(8) thereof, are met with respect to the Plan, the Debtor requests that the Bankruptcy Court, pursuant to § 1129(b), confirm the Plan notwithstanding the requirements of § 1129(a)(8) if the Plan does not discriminate unfairly and is fair and equitable with respect to each rejecting class.

The Reorganized Debtor may file an application to the Court for entry of a final decree at any time after substantial consummation.

The Post-Confirmation Manager of the Debtor, who also serves as Plan Administrator, shall be as follows:

Name	Affiliation	Insider (Y or N?)	Position	Compensation
Michael Calise	Member	Yes	Manager	None

Mr. Calise shall be fully responsible for management and all disbursements, maintenance and improvements, and for causing the Debtor to close on the refinance or sale contemplated herein.

**E. Risk Factors**

The proposed Plan has the following risks:

- To the extent success of the Plan requires a timely refinance, whether the Proposed SBD Refinance, the Debtor's property alone, or together with Post East, it is possible the Debtor will be unable to close a loan in the sum required or within the required time; however if the refinance fails, ultimately the Debtor's plan provides for a sale of the Property.
- Tenants of Post East could cease making payments creating difficulties in Post East performing the Debtor's second mortgage pending refinance or sale, however, Post East's tenants, and Westport Fish & Poultry's tenants have been stable for a substantial period and Debtor does not have any reason to anticipate issues.
- As Debtor must depend on Mr. Calise's real estate brokerage entity, Settlers & Traders, to make its first monthly mortgage payments herein pending refinance or sale it is possible the company could run out of funds; however as of the date of this Statement Settlers & Traders holds about \$125,000 which far exceeds the next year's payments for Debtor.

**F. Executory Contracts and Unexpired Leases**

The Plan, in Section 6, describes executory contracts and unexpired leases. Assumption means that the Debtor elects to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. The Debtor believes that no

such leases or contracts exist at this time. If any should be identified, they will be listed on Schedule 6.01 to the Plan if they are to be assumed. Others, if any, are rejected.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Schedule 6.01 to the Plan will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the plan.

***The Deadline for Filing a Proof of Claim on a Claim Arising from the Rejection of a Lease or Contract is shall be thirty days after the Confirmation Date.*** Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

#### **G. Tax Consequences of Plan**

***Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should consult with Their Own Accountants, Attorneys, And/Or Advisors.***

The Debtor has no opinion of tax counsel or accounting professional, and no rulings of any federal, state, or local taxing authority has been or will be requested in connection with this Plan. The Debtor does not believe the plan would cause tax consequences to the Debtor as its financial results are not reported on a separate return.

Implementation of the contemplated Plan may result in federal and state tax consequences to creditors and equity holders. The tax consequences may vary depending on the particular circumstances or facts regarding the claim and claimant or equity holder. Consequently, creditors and holders of equity securities are urged to consult with their own tax professionals in order to determine the tax implications of the Plan under applicable law.

#### **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

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

## A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that all classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. Classes 6 and 7 are composed entirely of insiders.

### 1. *What is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the federal Rules of Bankruptcy Procedure.

***The deadline for all creditors except governmental units to file a proof of claim in these cases was October 24, 2016.***

### 2. *What is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

### 3. *Who is Not Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and

- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

**Even if you are not entitled to vote on the Plan, you have a right to object to the confirmation of the Plan.**

4. *Who Can Vote in More than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

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

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

1. *Votes Necessary for a Class to accept the Plan*

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

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

2. *Treatment of Nonaccepting Classes*

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

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

**C. Liquidation Analysis**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claimants and equity interest holders



would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit C. The liquidation analysis uses a valuation for the Property of 75% of the lower appraisal valuation. Debtor submits such an estimate is reasonable for a prompt forced sale without an appropriate marketing period. As indicated only Class 1 receives full payment and Class 2 receives partial recovery under liquidation. Any other creditors and equity security holders would receive nothing, and Debtor believes all creditors would receive less in Chapter 7 than under the Debtor's proposed plan.

## **V. EFFECT OF CONFIRMATION OF PLAN**

### **A. Discharge of Debtor**

Discharge. On the Effective Date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the Effective Date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in §1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the Effective Date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

### **B. Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

### **C. Final Decree**

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

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Dated this 19<sup>th</sup> day of June 2017.

Respectfully submitted,

UNCAS, LLC

By: /s/ Michael Calise  
Michael Calise, Member  
Duly Authorized

Counsel to UNCAS, LLC

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Exhibits

- A. Savings Bank of Danbury Summary of Terms and Conditions
- B. Debtor's Appraisal
- C. Projected Budgets
  - C-1. Post East LLC
  - C-2. Westport Fish & Poultry, LLC
- D. Liquidation Analysis