

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA
Tallahassee Division
www.flsb.uscourts.gov**

In re:

LOUIS SOLOMON WELTMAN

Case No. 14-40331-KKS

Debtor.

Chapter 11

**FIRST AMENDED DISCLOSURE STATEMENT FOR PLAN OF REORGANIZATION
BY LOUIS S. WELTMAN**

DATED: September 2, 2016

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TABLE OF CONTENTS

I. INTRODUCTION.....5

 A. Overview of the Plan 7

 B. Voting Instructions..... 10

II. BACKGROUND OF THE DEBTOR 11

 A. Financial Setbacks and Litigation..... 11

 B. The Debtor’s (Non-Exempt and Exempt) Assets 12

III. THE CHAPTER 11 CASE..... 14

 A. Commencement of the Chapter 11 Case..... 14

 B. Retained Professionals 15

 C. Stay Relief Motion.....15

 D. Motion to Transfer Shares.....15

 E. The Adversary Claim 15

 F. Rule 2004 Examinations..... 16

 G. Objection to the Debtor’s Exempt Assets..... 16

 H. The Claims Process..... 16

IV. THE CHAPTER 11 PLAN..... 17

 A. Plan Overview..... 17

 B. Unclassified Claims 17

 C. Treatment of Claims and Interests 18

 D. Distributions Under the Plan..... 24

 E. Executory Contracts and Unexpired Leases 24

 F. Modification/Revocation of the Plan 26

 G. Effect of Confirmation..... 26

 H. Discharge, Exculpation, Injunction, Release and Limitation of Liability 27

 I. Retention of Jurisdiction..... 28

 J. Objections to Claims..... 29

 K. Transfers within Two Years Prior to Petition..... 30

 L. Miscellaneous Provisions..... 30

V. CONFIRMATION OF PLAN 30

 A. Solicitation of Votes 30

 B. Confirmation Hearing 30

 C. Confirmation Standards 31

VI. FUNDING AND FEASIBILITY OF THE PLAN AND RISK FACTORS 31

 A. Funding of the Plan..... 31

B.	Best Interests Test and Liquidation Analysis.....	31
C.	Feasibility.....	33
D.	Risk Factors Bearing Upon the Success or Failure of the Plan	33
VII.	ALTERNATIVES TO THE PLAN.....	33
CONCLUSION	34

EXHIBIT INDEX

- Exhibit A The Plan
- Exhibit B The Weltman Employment Agreement
- Exhibit C Liquidation Analysis
- Exhibit D Projections

FIRST AMENDED DISCLOSURE STATEMENT FOR CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY LOUIS S. WELTMAN

THE PLAN PROPONENT RESERVES THE RIGHT TO AMEND OR SUPPLEMENT THIS DISCLOSURE STATEMENT AT OR BEFORE THE CONFIRMATION HEARING.

I. INTRODUCTION

LOUIS SOLOMON WELTMAN, (hereinafter, the "Proponent" or the "Debtor") provides this Amended Disclosure Statement (the "Disclosure Statement") to all creditors of the Debtor to permit such creditors to make an informed decision in voting to accept or reject the Chapter 11 Plan of Reorganization, as amended (the "Plan") filed with the United States Bankruptcy Court for the Northern District of Florida (the "Court") in connection with the above-captioned case (the "Chapter 11 Case"). A copy of the First Amended Plan filed on September 2, 2016 ("Plan") is attached to this Disclosure Statement as **Exhibit "A"**. Capitalized terms used herein but not otherwise defined have the meanings assigned to such terms in the Plan. The words "include," "includes" or "including" used in this Disclosure Statement are deemed to be followed by the words "without limitation."

The Disclosure Statement is presented to certain holders of Claims against or Interests in Debtor in accordance with the requirements of section 1125 of the United States Bankruptcy Code, 11 U.S.C. § 101-1330 (the "Bankruptcy Code"). Section 1125 of the Bankruptcy Code requires that a disclosure statement provide information sufficient to enable a hypothetical and reasonable person, typical of the Debtor's creditors, to make an informed judgment whether to accept or reject the Plan. The Disclosure Statement may not be relied upon for any purpose other than that described above.

THE DISCLOSURE STATEMENT AND THE PLAN ARE AN INTEGRAL PACKAGE, AND MUST BE CONSIDERED TOGETHER FOR THE READER TO BE ADEQUATELY INFORMED. THIS INTRODUCTION IS QUALIFIED IN ITS ENTIRETY BY THE REMAINDER OF THIS DISCLOSURE STATEMENT, AND THIS DISCLOSURE STATEMENT IN TURN IS QUALIFIED IN ITS ENTIRETY BY THE PLAN.

ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THE DISCLOSURE STATEMENT AND ITS EXHIBITS SHOULD NOT BE RELIED UPON IN ARRIVING AT A DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE PROPONENT, WHO WILL IN TURN DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING ANY EXHIBITS CONCERNING THE FINANCIAL CONDITION OF DEBTOR AND OTHER INFORMATION CONTAINED HEREIN, HAS NOT BEEN SUBJECT TO AN AUDIT OR INDEPENDENT REVIEW EXCEPT AS EXPRESSLY SET FORTH HEREIN. ACCORDINGLY, THE PROPONENT IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION

CONCERNING THE DEBTOR OR HIS FINANCIAL CONDITION IS ACCURATE OR COMPLETE. THE PROJECTED INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PRESENTED FOR ILLUSTRATIVE PURPOSES ONLY, AND, BECAUSE OF THE UNCERTAINTY AND RISK FACTORS INVOLVED, ACTUAL RESULTS MAY NOT BE AS PROJECTED HEREIN.

ALTHOUGH AN EFFORT HAS BEEN MADE TO BE ACCURATE, THE PROPONENT DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS IS CORRECT. THE DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. EACH CREDITOR IS STRONGLY URGED TO REVIEW THE PLAN PRIOR TO VOTING ON IT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS ANOTHER TIME IS SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH SINCE THE DATE OF THE DISCLOSURE STATEMENT.

A STATEMENT OF THE ASSETS AND LIABILITIES OF DEBTOR AS OF THE DATE OF THE COMMENCEMENT OF THE CHAPTER 11 CASE IS ON FILE WITH THE CLERK OF THE BANKRUPTCY COURT AND MAY BE INSPECTED BY INTERESTED PARTIES DURING REGULAR BUSINESS HOURS.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NON-BANKRUPTCY LAW. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF ITS INTENDED PURPOSE.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS SUCH COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT WILL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN. EACH CREDITOR SHOULD, THEREFORE, CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISERS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THE PLAN OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Pursuant to the Bankruptcy Code, the petition was filed with the Southern Court on **April 22, 2014** (the "Petition Date"). Pursuant to a motion to transfer venue, this Chapter 11 Case was transferred to the U.S. Bankruptcy Court, Northern District of Florida, Tallahassee Division (the "Court"). This Disclosure Statement was filed thereafter. The Court will schedule a hearing on

approval of this Disclosure Statement and on confirmation of the Plan (the "Confirmation Hearing") to be held at the United States Bankruptcy Court for the Northern District of Florida, 110 East Park Avenue, Suite 100, Tallahassee, Florida 32301. At the Confirmation Hearing, the Court will consider whether this Disclosure Statement and the Plan satisfy the requirements of the Bankruptcy Code, including whether the Plan is in the best interests of the claimants. To obtain, at your cost, additional copies of this Disclosure Statement or of the Plan, please contact **MERRILL PA, David Lloyd Merrill, Esq.**, Trump Plaza Office Center, 525 S. Flagler Drive, 5th Floor, West Palm Beach, Florida 33401; Phone: +1.561.877.1111.

A Overview of the Plan

THE FOLLOWING IS A BRIEF SUMMARY OF THE TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY AND IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN AND THE PLAN DOCUMENTS. CREDITORS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW THE MORE DETAILED DESCRIPTION OF THE PLAN CONTAINED IN SECTION IV OF THIS DISCLOSURE STATEMENT AND THE PLAN ITSELF. THE PLAN IS ATTACHED AS **EXHIBIT "A"** TO THIS DISCLOSURE STATEMENT. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS.

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. The fundamental purpose of a chapter 11 case is to formulate a plan to restructure a debtor's finances so as to maximize recoveries to its creditors. With this purpose in mind, businesses sometimes use chapter 11 as a means to conduct asset sales and other forms of liquidation. Whether the aim is reorganization or liquidation, a chapter 11 plan sets forth and governs the treatment and rights to be afforded to creditors and stockholders with respect to their claims against and equity interests in a debtor's bankruptcy estate.

In all Classes, Claimants have the ability to consent to a treatment of their Claim that is different than that proposed under the Plan if such modification does not have a material adverse impact on other Creditor Classes. Additionally, the Debtor may modify, with the Bankruptcy Court's approval, the treatment currently proposed in the Plan. Any estimated Claim amounts are calculated as of the date of this Disclosure Statement.

The Plan divides the Claims against and Interests in the Debtor into Classes. Certain Claims, in particular, Administrative Claims, remain unclassified in accordance with section 1123(a)(1) of the Bankruptcy Code. The Plan assigns all other Claims and Interests as described below:

JM Auto, Inc., with an address at 5350 West Sample Road, Margate, FL 33073, as Lessor, and Lexus Financial Services, with an address at 12735 Morris Rd Extension, Alpharetta, GA 30004, as lienholder, are parties in interest in these Chapter 11 proceedings. JM Auto has a lien against the Debtor's leased automobile identified as a 2014 Lexus GS 350 (VIN JTHBE1BL0E5033130) (the "Lexus Lease"). As of the Petition Date, the total amount of payments due pursuant to the Lexus Lease is \$21,891.00 (the "Lease Obligation"). The Debtor has assumed the Lexus Lease. Payments in accordance with the Lexus Lease are current as of the filing of this Disclosure Statement with a remaining lease balance of less than \$3,400.00.

Class 1 consists of the Allowed Class 1 Secured Claim in the aggregate amount as of the Petition Date of \$10,067.89, which Allowed Class 1 Secured Claim is held by Okaloosa County Tax Collector, with an address at 73 Eglin Parkway NE, Fort Walton Beach, FL 32548, for itself or on behalf of the holders of tax certificates. Class 1 represents property tax claims against the Debtor's real property located at the subdivision known as "Heritage Plantation" (the "Lots"), as more fully detailed in Article II, Section B4. The Class 1 claims are unimpaired. There is no deficiency claim related to the Class 1 Claims.

Class 2 is the Allowed Class 2 Secured Claim, which Allowed Class 2 Secured Claim was in the approximate amount as of the Petition Date of \$84,284.70, of the Heritage Plantation Community Development District (the "District"), located at 120 Richard Jackson Blvd., Ste. 220, Panama City Beach, FL 32407 as the holder of assessments levied against the Lots. The Allowed Class 2 Secured Claim is comprised of Operating & Maintenance and Special Finance Assessments of equal amounts related to the Lots and which claim has been treated pursuant to the Plan of Reorganization confirmed in the "SCDC Case", as hereinafter defined (the "SCDC Plan"). The Class 2 Claim arises from Florida Statutes, which provide that upon the failure of a property owner to pay assessments levied by a local taxing district, the full amount of such special assessments is accelerated. The Class 2 Claim is unimpaired. There is no deficiency claim related to the Class 2 Claim.

Class 3 consists of the Allowed Class 3 Secured Claim in the amount of \$2,250.00 of the Heritage Plantation Homeowners Association, Inc. (the "Association"), with an address at 6615 W. Boynton Beach Blvd., Ste. 341, Boynton Beach, FL 32437 as the holder of assessments levied against the Lots. The Allowed Class 3 Secured Claim is comprised of equal \$450.00 assessments against each Lot, which attach to the Lots and which claim has been treated pursuant to the SCDC Plan. The Allowed Class 3 Secured Claim is not impaired. There is no deficiency claim related to the Allowed Class 3 Secured Claim.

Class 4 consists of the Allowed Secured Claim of Parker Lenders, LLC. ("Parker") with an address at c/o Norman Weinstein, President of Stateside Capital Corp., located at 2700 N. Military Trail, Suite 225, Boca Raton, FL 33431. On February 4, 2015, the Debtor filed its objection to the Proofs of Claim (DE #171) filed by Parker (Claim No. 7-1, as amended)(the "Objection"). Parker's Amended Claim is in the amount of \$2,040,981.00. On March 6, 2015, at DE #211, Parker Lenders responded to the Debtor's Objection, pursuant to which response, the Debtor, on July 29, 2015 withdrew its objection to Parker's Claim (DE #258). The Parker Amended Claim is secured in its entirety. Parker and Weltman executed that certain settlement, more fully set forth in the settlement agreement executed on May 16, 2016 (the "Parker Settlement"). The Parker Settlement was approved and the order related to the same has been entered by the Court at DE #322 on August 24, 2016.

Class 5 consists of the Allowed Class 5 General Unsecured Claims of the Debtor following the determination of any disallowed claims filed but objected to by the Debtor and any allowed claim amounts that are scheduled by the Debtor as either unknown in amount, disputed, unliquidated or contingent. The claim of Carole R. Korn ("Korn") was scheduled by the Debtor in an unknown amount, but Korn did not file a proof of claim as required under Fed. R. Bankr. P. 3002(a) and accordingly, Korn's claim will be disallowed by further order of this Court.

On February 4, 2015, the Debtor filed its objection to the Proofs of Claim (DE #171) filed by Stephen C. Riggs, III (“Riggs”) (Claim No.’s 10-1 and 10-2), Heritage FFR, LLC (“FFR”) (Claim No.’s 9-1 and 9-2) and U.S. Bank, N.A., as Indenture Trustee (the “Trustee”) (Claim No. 8-1), Parker Lenders, LLC. (“Parker”) (Claim No. 7-1, as amended), PNC Bank, N.A. (“PNC”)(Claim No. 4-1), Indigo Real Estate (“Indigo”)(Claim No. 5-1) and Builder Services Group (“Builders”)(Claim No. 2-1)(collectively, the “Claims Objection”).

Following the filing of the Debtor’s Claims Objection, the Debtor reached an agreement with unsecured creditor PNC Bank, N.A. in connection with its claim, and a Joint Motion to Approve the Settlement was filed with the Court on June 2, 2015 (DE #251), pursuant to which settlement, the Debtor’s objection to PNC’s claim was withdrawn (DE #258). The PNC Settlement Motion was filed on negative notice and there was no objection filed in connection with the PNC Motion. Accordingly, the Debtor has filed a Certificate of No Objection relating to the PNC Motion on August 4, 2015 (DE #260). On August 11, 2015, the Court granted the Joint Motion to approve the Debtor’s Settlement with PNC (DE #262).

On further review, PNC’s Claim No. 4-1 in the amount of \$3,914,000.00 represents PNC’s claim against the Debtor under a personal guarantee related to a failed real estate project owned by Village Oaks 80 Realty, LLC., itself a former Debtor-in-Possession, Case No. 11-29642-PGH, which bankruptcy case was adjudicated in the United States Bankruptcy Court, Southern District, West Palm Beach Division, Judge Paul Hyman presiding (the “Village Oaks Case”). PNC filed Claim No. 8 in the Village Oaks Case. Court records will show that PNC sold its loan documents, including the guarantees that underly PNC’s Claim No. 4-1 in the instant Chapter 11 case and such personal guarantee was subsequently released. Accordingly, the Debtor intends to re-file its objection to the PNC Claim on the basis of “accord and satisfaction” and this Claim shall be disallowed.

Separately, the Debtor reached an agreement with unsecured creditor LSW Note Deficiency, LLC. in connection with its claim, and a Joint Motion to Approve the Settlement has been filed with the Court on June 2, 2015 (DE #252). The LSW Note Deficiency Settlement Motions was filed on negative notice and there has been no objection filed in connection with LSW Note Deficiency Motion. Accordingly, the Debtor has filed a Certificates of No Objection relating to the LSW Note Deficiency Motion on August 4, 2015 (DE #261). On August 26, 2015, the Court granted the Joint Motion to approve the Debtor’s Settlement with LSW Note Deficiency (DE #266).

The Debtor was involved in the chapter 11 proceedings of Southeastern Consulting & Development Co., Inc. (“SCDC”), which was in front of this Court, Case No. 11-40398-KKS (the “SCDC Case”) since May 16, 2011. Riggs, FFR and the Trustee asserted claims against the Debtor arising from the Debtor’s role as an officer and/or director of Phoenix and Phoenix’s relationship with its client, SCDC, as well as the Debtor’s role as chairman of the Board of Supervisors of a Community Development District related to SCDC. These Claims led to the filing of multiple, coordinated complaints in the State Court in the First Judicial Circuit in and for Okaloosa County, Florida (collectively, the “State Court Actions”) and an adversary proceeding filed by Riggs and FFR (the “Riggs Adversary Proceeding”) in the SCDC Case.

The Debtor has resolved all outstanding issues with Riggs and FFR (the "Riggs Settlement"). The Riggs Settlement was approved by the Court in the SCDC Chapter 11 Case on March 20, 2015 (DE #412). The Riggs Settlement was amended in August 2015, pursuant to which amendment, the date by which the Riggs Plan was to be confirmed was extended and the respective Claims of Riggs and FFR were disallowed. Riggs and FFR, by and through the Plan Proponent in the SCDC Chapter 11 Case performed all of their obligations under the Riggs Settlement on or before December 31, 2015, except for acceptance of the conveyance of the Lots as that term is defined in the Riggs Settlement.

The Debtor resolved all outstanding issues with the Trustee (the "Trustee Settlement" and together with the "Riggs Settlement", the "Settlements"). Pursuant to the Trustee Settlement, having been approved by the Court on May 29, 2015, the Claim of the Trustee is allowed and the Trustee has agreed to support the Plan and the treatment of its claim thereunder.

As of the Petition Date, there were nine (9) scheduled general unsecured claimants with scheduled claims in the aggregate amount of \$30,179,252.50, as follows:

1. Jay Hyman, Trustee of the Jay Hyman Living Trust - \$236,500.00;
2. William and Ruthann Catambay - \$486,726.42;
3. LSW Note Deficiency, LLC. - \$7,883,697.15;
4. Builder Services Group, Inc. - \$53,775.30;
5. Indigo Real Estate, LLC - \$7,788,032.00;
6. Claim of PNC Bank, N.A. ("PNC") - \$3,914,000.00
7. Chase Manhattan Bank - \$27,141.63;
8. American Express - \$4,000.00; and
9. Indenture Trustee - \$9,785,380.00.

Post-Petition, a complaint was filed by Vizio, Inc. and AmTran Technologies against the Debtor in Federal District Court in the Central District of California. Subsequently, the Plaintiff's therein obtained a non-monetary judgment against the Debtor.

During the pendency of these Chapter 11 Proceedings, the Debtor has determined that the Claim of PNC Bank, N.A. has been satisfied, or otherwise released by the subsequent owner of PNC's Loan Documents.

Vizio's, AmTran's, PNC's and Carole R. Korn's claims against the Debtor are to be disallowed.

B. Voting Instructions

The Bankruptcy Code entitles only holders of Impaired Claims or Equity Interests who receive some distribution under a proposed plan to vote to accept or reject that plan. Holders of disputed claims are not permitted to vote. Holders of Claims or Equity Interests that are unimpaired under a proposed plan are conclusively presumed to have accepted that plan and are not entitled to vote on it. Holders of classes of Claims or Equity interests that will receive no distributions under a proposed plan are conclusively presumed to reject that plan and, therefore, also are not entitled to vote on it. Holders of Claims valued at an unknown amount,

including holders of Disputed Claims, shall not be entitled to vote on the Plan.

II. BACKGROUND OF DEBTOR

A. **Financial Setbacks and Litigation**

The Debtor suffered financial setbacks in 2008 and 2009 related to guarantees of loans for the development of various real estate projects through related entities (the “Guarantees”). By 2009, the Debtor could no longer sustain the viability of these projects and various secured creditors obtained judgments against the entities and pursued payment under the Guarantees.

The Debtor formed Phoenix to assist others (individually, a “Client” and collectively, the “Clients”) in a similar position by restructuring their projects and/or reorganizing their entities and in consideration for such services, Phoenix is entitled to a share of profits. Historically, Phoenix memorialized its client relationships through a restructuring agreement referred to as an “IMSA”. SCDC entered into an IMSA with an effective date of May 1, 2011 (the “SCDC IMSA”). The Debtor anticipated significant incentive compensation from his relationship with Phoenix by and through the successful conclusion of these projects with the hope of being able to repay a portion of the personal obligations he incurred related to the Guarantees.

Phoenix enjoyed success in restructuring a few companies, which did not translate into immediate financial gains for the Debtor. Effective March 31, 2016, Phoenix has ceased operations and a certificate of dissolution was filed with the Secretary of State of the State of Florida.

Notwithstanding, the Debtor believes he is positioned to benefit from the goodwill created associated with the work that he performed for Phoenix through an employment agreement executed with Losowe Capital, Inc., an affiliate and successor to Phoenix on January 1, 2016, a true and correct copy of which is attached hereto as **Exhibit “B”** (the “Employment Agreement”). Similarly, the Debtor has been the manager of NWJ Gator Investments, LLC. (“NWJ”) since NWJ was organized and expects to continue in that capacity upon the Effective Date following settlement of the Adversary Proceeding.

The Debtor anticipated benefiting from his position as president of SCDC. The Riggs Settlement provides that Weltman will resign from this position and have no further involvement with SCDC, subject to the confirmation of the plan of reorganization filed by Riggs on behalf of SCDC (the “Riggs Plan”).

The Debtor held 64,000 shares of the common stock of SCDC (the “SCDC Shares”). The SCDC Shares have been returned to Riggs as of the Effective Date of the Riggs Plan.

The Debtor owns 5 fee simple developed lots at SCDC’s Heritage Plantation subdivision the legal description for which is Phase I of the Heritage Plantation subdivision located at Laurel Hill, FL 32567, (i) Lot 8 Block B (6405 Arcadia Bluffs Ave); (ii) Lot 9 Block B (6407 Arcadia Bluffs Ave); (iii) Lot 13 Block B (6415 Arcadia Bluffs Ave); (iv) Lot 1 Block C (6502 Torrey Pines Trace); and (v) Lot 2 Block C (6504 Torrey Pines Trace) (individually, a “Lot” and collectively, the “Lots”). These Lots shall be conveyed to Riggs as part of the Riggs Settlement.

Each Lot has an appraised value as of the Petition Date in the amount of \$772.00 according to the Okaloosa County Property Tax Appraiser and a fair market value as of the Petition Date of approximately \$25,000.00 prior to deducting for assessments of the community development district and homeowners' association as set forth in the descriptions of the Class 2 and 3 claims of the Debtor herein below and the property tax arrearages on each Lot, as follows: Each Lot is encumbered by a property tax arrearage of \$181.00 except Lot Block B, Lot 13, which is \$9,163.89.

The Debtor, on August 7, 2014, filed his Motion to Approve Administrative Claim filed as DE 322 in the amount of \$675,677.68 in the SCDC Chapter 11 Case (the "Weltman Administrative Claim"). Pursuant to the Riggs Settlement, the Weltman Administrative Claim is not considered an asset of the Estate.

B. The Debtor's (Non-Exempt and Exempt) Assets

In order for Creditors to evaluate the Debtor's Plan, this section identifies the Debtor's primary assets, any liens or encumbrances thereon, the claimed exemption status, the proposed treatment or disposition of the asset under the Plan as currently proposed, and the Debtor's estimation of the amount that may be realized on disposition of the asset (the "Liquidation Value"): to the extent the asset described is the Debtor's interest in a corporation or a limited liability company, the estimate of value will be of his interest in that corporation, which the Debtor calculates based on his proportional ownership interest (i.e., 25%) multiplied by the estimate of the value of the underlying asset less any debt secured by the underlying asset. The Debtor includes his estimation of the value of underlying asset(s) owned by the corporation or entity along with the approximate amount of the debt(s) secured by such assets. The estimated values may be based on recent TRIM notices, prior appraisals (adjusted by the Debtor for current market conditions), any recent negotiations, or informal offers to purchase such assets.

1. (Exempt pursuant to Section 222.25(4) of the Florida Statutes) The Debtor's cash in the pre-petition amount of \$250.00 is an exempt asset under Section 222.25(4) of the Florida Statutes, or otherwise under Section 523(d)(5) of the Code. Prior to the Petition Date, the Debtor closed the only bank account in his individual name, which had been open for approximately thirty (30) days (the "Pre-petition Bank Account"). Prior to the Pre-petition Bank Account, the Debtor had not maintained an individual bank account, or a joint bank account with any party, including Jill Weltman, since prior to 2008. ***The Debtor's schedules reveal that he had no cash at the time of the filing of the petition and no assets other than those scheduled. The Debtor could not have made any contribution to the capital of any of the entities in which the Debtor and his wife, Jill Weltman, own equity or interests as joint tenants by the entirety. Jill Weltman has made all such capital contributions, individually, from non-Debtor assets.***

2. (Non-Exempt) The Employment Agreement provides one (1) element of value to the Debtor. Specifically, the Debtor benefits from incentive compensation based on the successful outcome of the reorganization of Losowe's Clients. The income from the Employment Agreement is unencumbered and may have a value in the future following the Debtor's reorganization. The incentive compensation is unknown at the present time. The income from the Employment Agreement is to be retained by the Debtor and utilized as part of the funding of the Plan.

3. (Exempt pursuant to Section 523(b)(3)(B) of the Code) 562,292 shares of the common stock of Phoenix (the "Phoenix Shares"). Phoenix was formed in April 2010 at which time the Phoenix Shares were issued in the name of Jill K. and Louis S. Weltman, wife and husband, as Tenants by the Entireties. Phoenix was incorporated in June 2010. The Phoenix Shares have no value as of the Petition Date and as of the writing of this Disclosure Statement. Notwithstanding, and as set forth above in this Article II, Section B1, Jill Weltman is the sole provider of capital to Phoenix in connection with the purchase of the Phoenix shares and all subsequent contributions of capital.

Phoenix has ceased operations following the conveyance of its only asset, an interest in real property known as the Carter Property, the value of which was less than the secured lien encumbering it (the "Carter Mortgage"). The Carter Property was conveyed to Riggs as part of the Riggs Settlement on or about December 31, 2015.

4. (Exempt pursuant to Article X, Section 4(a)(2) of the Florida Constitution) As of the Petition Date, the Debtor owns Personal property with a value of approximately \$1,000.00, comprised of a collection of used hardcover books with a value of \$250.00, used clothing with a value of \$100.00, a wedding band with personal value of an indeterminate amount and a cash value of \$400.00 and used golf clubs with a value of \$250.00. To the extent that the wedding band is not exempt as set forth above, the wedding band is exempt pursuant to Section 522(d)(4) of the Code. These assets are exempt and shall be retained by the Debtor. The personal property shall not be sold and there shall be no contribution to the funding of the Plan from this Asset.

5. (Exempt pursuant to Section 523(b)(3)(B) of the Code) The Common Stock of Losowe Capital, Inc. ("Losowe") representing a one hundred (100%) percent equity interest in Losowe (the "Losowe Shares") is exempt pursuant to Section 523(b)(3)(B) of the Code. The Losowe Shares were issued in August 2009 in the name of Jill K. and Louis S. Weltman, wife and husband, as Tenants by the Entireties. As set forth above in this Article II, Section B1, Jill Weltman is the sole provider of capital in connection with the purchase of the Losowe shares. The Losowe Shares have no value at this time other than "goodwill", the basis for which is Weltman's agreement to provide services to Losowe and Losowe's future clients.

6. (Exempt pursuant to Section 523(b)(3)(B) of the Code) The Class B Non-voting membership interests in NWJ (the "NWJ Interests") held in the name of Jill K. and Louis S. Weltman, wife and husband, as Tenants by the Entireties. The Debtor has been the manager of NWJ since its organization and expects to continue in such capacity following the Effective Date. The NWJ Interests have no value due to the inability to market the non-voting interest represented by such NWJ Interests and other limitations on the transfer and early withdrawal of the Debtor as a member of NWJ. As set forth above in this Article II, Section B1, Jill Weltman is the sole provider of capital to NWJ in connection with the purchase of the NWJ Interests.

7. (Non-Exempt) Avoidance Claim against Jill Weltman and Nicole L. Weltman. The Debtor has filed the Adversary Proceeding, which is an avoidance action against Jill Weltman and Nicole Weltman pursuant to 11 U.S.C. §548 to recover any transfers made in exchange for which the Debtor did not receive a reasonable equivalent value in exchange. Following years of

litigation surrounding the underlying fraudulent transfer claim of Parker Lenders and the Proceedings Supplementary pending in the Circuit Court of the 14th Judicial Circuit in and for Bay County, FL (the “Bay County Court”), including sworn testimony of the only person for Parker Lenders with personal knowledge of the relevant matters concerning the alleged transfers, investigation of the alleged transfers and the information provided by the alleged transferees, the Debtor does not believe that any such transfer occurred. Notwithstanding, on August 13, 2014, the Debtor reached a settlement with Jill Weltman and Nicole Weltman in connection with the Adversary Proceeding, the details of which are set forth in the Debtor’s Motion to Approve Settlement filed on August 18, 2015 (DE #259) and later withdrawn as moot. See Article III, Section E for a detailed discussion of the Adversary Proceeding.

8. (Exempt pursuant to Section 222.25 of the Florida Statutes) A 2014 leased Lexus GS350 with no cash value.

9. (Exempt pursuant to Section 222.14 of the Florida Statutes) This Pacific Life Insurance Policy, if not exempt pursuant to Section 222.14 of the Florida Statutes, is exempt pursuant to Section 522(d)(5) of the Code. This is 20-year term insurance policy with a death benefit in the amount of \$250,000.00 payable only upon the death of the insured, Jill K. Weltman, which was not effected for the benefit of any creditor of the Debtor. There is no cash surrender value related to this policy, which terminates in the year 2022. No proceeds from the death benefit related to this policy, if any, shall be used to fund the Plan.

III. THE CHAPTER 11 CASE

A. Commencement of the Chapter 11 Case; Status

Prior to the Petition Date, the Debtor had entered into the Employment Agreement. Incentive based compensation provided for the potential for cash income and equity ownership following the successful outcomes of client relationships pursuant to Phoenix’s contractual relationships with its clients (the “IMSA’s”). However, litigation in connection with the majority ownership of SCDC (the “Control Fight”) and the need to defend proceedings supplementary in connection with the disputed judgment held by Parker Lenders, LLC created an extraordinary cash flow problem for the Debtor and the potential loss of a significant asset – the SCDC Shares. Riggs and/or FFR had asserted that they control SCDC pursuant to the exercise of an option to purchase 4,410 of the aforementioned SCDC Shares from Phoenix (the “Option”), thereby purporting to control a majority of the shares of SCDC and therefore, SCDC. The convergence of these two (2) issues ultimately cascaded into the potential loss of future business and assets, including the ability to retain significant business assets. It was these difficulties that caused the need for the filing of this case.

The Control Fight has been resolved and pursuant to the Riggs Settlement, the SCDC Shares, Carter Property and other considerations have been conveyed to Riggs assignee, following the confirmation of the Riggs Plan. The 9019 Motion to approve the Riggs Settlement was heard by the Court on March 10, 2015 and approved.

B. Retained Professionals

The Court authorized the Debtor to retain certain professionals in connection with the Chapter 11 Case. Specifically, Debtor retained, and the Court approved the retention of Ozment Merrill, LLC as general bankruptcy counsel and pre-petition, the Debtor paid Ozment Merrill a retainer in an amount in excess of \$21,000.00. (Merrill PA is the successor to Ozment Merrill, LLC as Debtor's Counsel and to date, Ozment Merrill, LLC has not transferred the retainer to Merrill PA) and Manela & Associates, CPA's as the Debtor's accounting firm. At DE 94, the Court granted Riggs and FFR a hearing on their Motion for Reconsideration of the retention of Manela & Associates, which Motion was subsequently withdrawn.

C. Stay Relief Motion

On June 20, 2014, U.S. Bank, N.A. as indenture trustee and party-in-interest, filed a Motion for Relief From the Automatic Stay (the "U.S. Bank Motion") to proceed with an action against the Debtor, in his fiduciary role as Chair of the Board of Supervisors for the District (DE #33). At the hearing set by the Court for July 23, 2014, the Debtor and U.S. Bank settled the matter and U.S. Bank was provided with limited relief in connection with its Motion. Subsequently, the Trustee filed an action in State Court seeking the appointment of a receiver over the District. As part of the Trustee Settlement, the Debtor has resigned, effective May 14, 2015, as Chairman of the Board of Supervisors of the Heritage Plantation Community Development District and assisted in appointing a new Board acceptable to the Trustee and in exchange therefor, the Trustee agreed to dismiss with prejudice the complaint against the Debtor and has agreed to support the Weltman Plan and accept no distributions in respect thereto.

D. Motion to Transfer Shares

The Debtor holds the SCDC Shares, but filed with the Court the Debtor's Motion to Transfer the Shares back to Phoenix (the "Transfer Motion"). The Transfer Motion was filed on June 5, 2014 (DE #2). Following the Riggs Settlement, the transfer is moot and the Debtor shall withdraw his Motion to Re-Transfer Shares to the extent such Motion has not already been denied as moot.

E. The Adversary Claim

The Debtor filed the Adversary Proceeding (also referred to as the "Avoidance Action"), which is a complaint against Jill Weltman and Nicole Weltman based on circumstances related to the claim of Parker against the Debtor. The claim of Parker is in connection with that certain deficiency judgment against the Debtor in favor of Parker (the "Parker Claim"), which arises from a loan from Parker to AW Parker Development, LLC. and guaranteed by the Debtor (the "Parker Loan") and which the Debtor does dispute as more fully detailed elsewhere herein. The Avoidance Action alleges fraudulent transfers (the "Alleged Transfers") in the same manner as those contained in those certain filings by Parker in connection with its Motion for Supplementary Proceedings and Amended (unverified) Complaint, currently stayed in the 14th Judicial Circuit Court in and for Bay County, FL (the "Parker State Court Proceedings"). Pursuant to the Code, only the Debtor has the right to bring an avoidance action.

Jill Weltman is not listed as a Co-Debtor in connection with the Parker Claim and Parker has no direct claim against Jill Weltman or Nicole Weltman; neither of them was a mortgagor, guarantor or signatory on the contracts, notes, or mortgages, or any extensions thereof, executed by and between the Debtor and Parker and which give rise to the Parker Claim. There is no contractual basis for Parker to collect on the Parker Claim from Jill Weltman or Nicole Weltman.

In the Parker State Court Proceedings, Norman S. Weinstein, Parker's principal, was deposed by the Debtor and under oath admitted to having no first hand and direct knowledge of any such Alleged Transfers.

Notwithstanding, the Avoidance Action seeks to recover any improper transfers from the Debtor including properties and ownership interests of Phoenix and/or Losowe, both of which were formed with Jill Weltman's capital held in her own name predating 2008. No recovery was anticipated or likely pursuant to this Avoidance Action through litigation and the Debtor accordingly, sought to resolve this matter through negotiations with Jill Weltman and Nicole Weltman.

Generally, the Debtor's settlement with Jill Weltman and Nicole Weltman provides that certain assets titled in the joint name of the Debtor and Jill Weltman shall be re-titled in the name of the Re-organized Debtor, individually. These re-titled assets included the Phoenix Shares and the Losowe Shares. In addition, NWJ was to convey its ownership interest in Highland to the Debtor on the Effective Date.

Pursuant to the Parker Settlement, Parker shall withdraw its objection to the Debtor's Settlement with Jill Weltman and Nicole Weltman, and Jill Weltman and Nicole Weltman have become parties to the Parker Settlement.

F. Rule 2004 Examinations

Other than Riggs and FFR, no creditor has sought authorization to take the Rule 2004 examinations of the Debtor or any other party. Following the Riggs Settlement, the Motion for 2004 examinations filed by Riggs and FFR is moot and no such examinations shall take place.

G. Objections to the Debtor's Exempt Assets

Other than as detailed in this Article III, paragraph G, no Creditor, disputed or not, has filed an objection to the exemptions claimed by the Debtor. During the pendency of this Chapter 11 Case, only Riggs and FFR filed an objection to the Debtor's claimed exemptions (DE #96) (the "Exemption Objection"), which Exemption Objection were filed on August 6, 2014 and which have been withdrawn following the Riggs Settlement.

H. The Claims Process

The Bankruptcy Code provides a procedure for all persons who believe they have a claim against a debtor to assert such claims, so that such claimant can receive distributions from the

debtor's bankruptcy case. The bankruptcy court establishes a "bar date" — a date by which creditors must file their claims, or else such creditors will not participate in the bankruptcy case or any distribution. After the filing of all claims, the debtor evaluates such claims and can raise objections to them. These claims objections allow the debtor to minimize claims against it, and thereby maximize the recovery to creditors.

The deadline for filing (i) proofs of Claims against Debtor, other than claims of governmental units and Administrative Claims, is September 3, 2014 (the "General Bar Date") and (ii) objections to the Debtor's exempt assets was thirty (30) days following the Meeting of the Creditors (the "341 Meeting") held on July 8, 2014, or August 7, 2014. At the deadline, no creditor had filed an objection to the Debtor's exempt assets except for FFR and Riggs, who have withdrawn their respective objections.

The Debtor has been reviewing, analyzing and resolving Claims on an ongoing basis as part of the claims reconciliation process. Nonetheless, additional claims may be asserted against the Debtor subsequent to the expiration of the Bar Date and the actual ultimate aggregate amount of Allowed Claims may differ significantly from the amounts used for the purposes of Debtor's estimates. Accordingly, the distribution amount that will ultimately be received by any particular holder of an Allowed Claim may be adversely affected by the outcome of the claims resolution process.

IV. CHAPTER 11 PLAN

FOLLOWING IS A SUMMARY OF THE SIGNIFICANT MATTERS CONTEMPLATED BY OR IN CONNECTION WITH THE CONFIRMATION OF THE PLAN. THE SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN, WHICH IS ATTACHED AS **EXHIBIT "A"**. THIS SUMMARY ONLY HIGHLIGHTS CERTAIN SUBSTANTIVE PROVISIONS OF THE PLAN. CONSIDERATION OF THIS SUMMARY WILL NOT, NOR IS IT INTENDED TO, YIELD A THOROUGH UNDERSTANDING OF THE PLAN. SUCH CONSIDERATION IS NOT A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO REVIEW THE PLAN CAREFULLY. THE PLAN, IF CONFIRMED, WILL BE BINDING ON DEBTOR AND ALL HOLDERS OF CLAIMS AND INTERESTS.

A. Plan Overview

The Debtor believes that confirmation of the Plan provides the best opportunity for maximizing recoveries for its creditors. Moreover, the Debtor believes, and will demonstrate to the Court, that creditors will receive not less than the amount that they would receive in a liquidation under Chapter 7 of the Bankruptcy Code.

B. Unclassified Claims

The following Administrative Claims, Priority Tax Claims and United States Trustee's Fees are Unimpaired under the Plan and will be treated as follows.

Allowed Administrative Claims, including claims of professionals, shall be paid upon the date on which such Claims become due in the ordinary course, in accordance with the terms and conditions of any

agreement relating thereto or upon such other dates and terms as may be agreed upon by the holders of such Allowed Administrative Claims. All other holders of Allowed Administrative Claims shall be paid 100% of their respective Allowed Administrative Claims in cash, unless otherwise ordered by the Bankruptcy Court, upon the latter of (i) the Effective Date, or, (ii) the date on which an order approving payment of such Administrative Claim becomes a Final Order.

Except to the extent that a holder of an Allowed Priority Tax Claim under section 507(a)(8) of the Code has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall be paid in the ordinary course of Debtor's business on the date of assessment of such Claim.

The Reorganized Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) through Confirmation on the Effective Date. The Reorganized Debtor shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods within the time periods set forth in 28 U.S.C. §1930(a)(6), until the earlier of the closing of this Case by the issuance of a Final Decree by the Court, or upon entry of an order of this Court dismissing this Case, or converting this Case to another chapter under the Code, and the Reorganized Debtor shall provide to the United States Trustee upon the payment of each post-confirmation payment an appropriate affidavit indicating disbursement for the relevant periods.

C. Treatment of Claims and Interests

1. Administrative Claims: Post-petition claims, if any, shall be paid on or before the Effective Date. Attorney's fees shall be paid pursuant to the existing agreement with Debtor.

2. Class 1 - Unimpaired Secured Property Tax Claims: Allowed Secured Claim of the Okaloosa Property Tax Collector for itself and on behalf of the holders of property tax certificates issued in respect of the Debtor's Real Property.

(a) Definition of the Class 1 Claim

Class 1 consists of the Allowed Class 1 Secured Claims in the aggregate amount as of the Petition Date of \$10,067.89, which Allowed Class 1 Secured Claims are held by the Okaloosa County Tax Collector, with an address at 73 Eglin Parkway NE, Fort Walton Beach, FL 32548, for itself or on behalf of the holders of tax certificates representing property tax claims against the Debtor's real property at the Crestview, Florida subdivision known as Heritage Plantation, which real property is comprised of Lot 8 Block B (6405 Arcadia Bluffs Ave); Lot 9 Block B (6407 Arcadia Bluffs Ave); Lot 13 Block B (6415 Arcadia Bluffs Ave); Lot 1 Block C (6502 Torrey Pines Trace); and Lot 2 Block C (6504 Torrey Pines Trace) (collectively, the "Lots"). Each Lot has an appraised value in the amount of \$772.00 according to Okaloosa County Property Tax Appraiser and a fair market value of approximately \$25,000.00 prior to deducting for assessments of the community development district and homeowners' association as set forth in the descriptions of the Class 2 and 3 claims of the Debtor herein below and the property tax arrearages on each of the Lots in the amount of \$181.00 except for Block B, Lot 13, which has an arrearage of \$9,163.89.

The Class 1 Claim is not impaired and of equal dignity to the Class 2 claim.

(b) Treatment of the Class 1 Claim

The Okaloosa County claim is a claim in connection with property tax assessments levied by Okaloosa County on the Lots in the amount of \$10,067.89 (the "Okaloosa County Claim"). The Okaloosa County Claim excludes the 2014 Assessment. The 2014 Assessment amount is approximately \$175.00 according to TRIM Notices are sent out by Okaloosa County. Accordingly, no further disclosure is required.

The Proponent has reduced the claims under this Allowed Class 1 to zero in connection with the conveyance of the Lots to Riggs by the Debtor pursuant to the Riggs Settlement.

Under the Plan and pursuant to the Court approved Riggs Settlement, the Lots shall be conveyed to Riggs, which Lots shall remain subject to the Secured Class 1 Property Tax Claim.

There is no deficiency claim related to this Class 1.

3. Class 2 - Unimpaired; The Allowed Secured Heritage Plantation Community Development District Claim.

(a) Definition of the Class 2 Claim

Class 2 is the Allowed Class 2 Secured Claim in the amount of \$84,284.70 of the Heritage Plantation Community Development District (the "District"), with an address at 120 Richard Jackson Blvd., Suite 220, Panama City Beach, FL 32407 as the holder of assessments levied against the Lots. The Allowed Class 2 Secured Claim is comprised of Operating & Maintenance Assessments and Special Finance Assessments of equal amounts related to the Lots. Florida Statutes provide that upon the failure of a property owner to pay assessments levied by a local taxing district, the fully amount of such special assessments is accelerated. The Class 2 Claim is of equal dignity to the Class 1 claim; the Class 2 claim is not impaired.

(b) Treatment of the Class 2 Claim

The Debtor shall convey the Lots to Riggs pursuant to the Riggs Settlement on the Effective Date of the Riggs Plan, or upon confirmation of the Plan with the agreement of the Parties. This transfer shall be accomplished under the Plan and shall be exempt from the payment of document stamps pursuant to 11 U.S.C. Section 1146(a). There is no deficiency related to this Allowed Class 2 Secured Claim.

The Proponent has reduced the claims under this Allowed Class 2 to zero in connection with the conveyance of the Lots to Riggs by the Debtor pursuant to the Riggs Settlement.

4. Class 3 - Unimpaired; The Allowed Secured Heritage Plantation Homeowners' Association, Inc. Claim.

(a) Definition of the Class 3 Claim

Class 3 consists of the Allowed Class 3 Secured Claim in the amount of \$2,250.00 of the

Heritage Plantation Homeowners Association, Inc. (the "Association"), with an address at 6615 W. Boynton Beach Blvd., Ste. 341, Boynton Beach, FL 32437 as the holder of assessments levied against the Lots. The Allowed Class 3 Secured Claim is comprised of equal \$450.00 assessments against each of the Lots. Such assessments are personal in nature and attach to the Lots. There is no deficiency claim related to the Class 3 Claim, which is not impaired

(b) Treatment of the Class 3 Claim

The Debtor shall convey the Lots to Riggs pursuant to the Riggs Settlement on the Effective Date of the Riggs Plan, or upon confirmation of the Plan with the agreement of the Parties. Accordingly, the Proponent has reduced the claims under this Allowed Class 3 to zero in connection with the conveyance of the Lots to Riggs by the Debtor pursuant to the Settlement.

5. Class 4 - Impaired; the Secured Claim of the Debtor.

(a) Definition of the Class 4 Claim

Class 4 consists of the claim of Parker Lenders, LLC. The amount claimed by Parker is \$2,040,981.00, the total amount of which has been filed pursuant to a proof of claim as secured.

(b) Treatment of the Class 4 Claim

The Parker Claim shall be treated in accordance with the Parker Settlement, which is incorporated herein in its entirety; to the extent that there is any conflict between the Plan and the Settlement Agreement, the Settlement Agreement shall govern for all purposes. The economic terms of the Parker Settlement follow:

i. Parker shall receive the Losowe Interest upon the Effective Date and in partial consideration of agreeing not to object to the Adversary Settlement. The Losowe Interest entitles Parker to a pro rata distribution of Losowe's Profit during each year of the Distribution Term, subject to all of the other provisions of this Agreement.

ii. Subject to all of the other terms of this Agreement and the provisions of paragraph 24, hereof, which govern all of the Parties upon the occurrence of a Termination Event, Parker shall share in Weltman's Adjusted Income commencing on the Effective Date of the Weltman Plan until the Aggregate Distribution Cap is achieved. For each Distribution Year, Parker shall receive the Parker Distribution subject to the following method of distribution and the limitations set forth:

a) Distributions to Parker prior to aggregate Reimbursement reaching the Reimbursement Cap:

1. Weltman retains Adjusted Income up to the Adjusted Exempt Income Amount. If Adjusted Income is less than the Adjusted Exempt Income Amount for a Distribution Year, then no Parker Income Payments will occur for that Distribution Year.

2. In determining which sources of Adjusted Income are treated as exempt and retained by Weltman, sources that are common to both Adjusted Income and Income shall be counted first and if such Adjusted Income is less than the Adjusted Exempt Income Amount, Adjusted Income on account of the NWJ Employment Agreement may thereafter be retained as exempt until the Adjusted Exempt Income Amount is met.

3. Provided that Income exceeds the Exempt Income Amount, Weltman distributes a proportion (15%) of Income above the Exempt Income Amount to the Class 5 Claimants as required by the Weltman Plan and distributes the Parker Income Payment in pari passu with the distribution to the Class 5 Claimants. Parker receives Parker Income Payments as Reimbursement until such time as the sum of all Reimbursement payments over the entire Distribution Term reaches the Reimbursement Cap. Parker Distributions received thereafter are subject to treatment under sub-subparagraph (ii) below.

4. If Adjusted Income exceeds the Adjusted Exempt Income Amount (the "Excess Adjusted Income") or, to the extent Income comes from sources excluded from Adjusted Income, Income exceeds the Exempt Income Amount ("Excess Income"), then Weltman agrees that all such Excess Adjusted Income and Excess Income will be further distributed by Weltman to Parker as Reimbursement until such time as the sum of all Reimbursement payments over the entire Distribution Term reaches the Reimbursement Cap. Parker Distributions received thereafter are subject to treatment under sub-subparagraph (ii) below.

5. Parker periodically receives from Losowe or NWJ cash reflecting Parker Distributions, receiving such Distributions as Reimbursement until such time as the sum of all Reimbursement payments over the entire Distribution Term reaches the Reimbursement Cap. Parker Distributions received thereafter are subject to treatment under sub-subparagraph (ii) below.

b) Distributions to Parker following aggregate reimbursement reaching the Reimbursement Cap:

1. Weltman retains Adjusted Income up to Exempt Income Amount. . If Adjusted Income is less than the Adjusted Exempt Income Amount for a Distribution Year, then no Parker Income Payments will occur for that Distribution Year.

2. In determining which sources of Adjusted Income are treated as exempt and retained by Weltman, sources that are common to both Adjusted Income and Income shall be counted first and if such Adjusted Income is less than the Adjusted Exempt Income Amount, Adjusted Income on account of the NWJ Employment Agreement may thereafter be retained as exempt until the Adjusted Exempt Income Amount is met.

3. Provided that Income exceeds the Exempt Income Amount, Weltman distributes a proportion (15%) of Income above the Exempt Income Amount to the Class 5 Claimants as required by the Weltman Plan and distributes the Parker Income Payment in pari passu with the distribution to the Class 5 Claimants. The Parker Income Payment is subject to and limited by the Aggregate Distribution Cap as described below.

4. Parker periodically receives from Highland, Losowe, Phoenix, or NWJ cash reflecting Parker Distributions. Such distributions are subject to and are limited by the Aggregate Distribution Cap as described below.

c) When Parker Distributions reach the Aggregate Distribution Cap, the parties expressly agree that such occurrence constitutes a Termination Event and Parker shall no longer be entitled to any further Parker Distributions. If a single Parker Distribution causes Parker to receive more aggregate funds than the Aggregate Distribution Cap, Parker agrees to refund monies in excess of the Aggregate Distribution Cap to Weltman.

d) At no cost to Weltman in the preparation thereof, the Parker Distribution shall be made based on reporting format agreeable to Weltman and Parker and the accounting prepared by the Boca Raton office of CBIZ, which accounting shall be at the expense of Parker and prepared according to the agreed upon format; CBIZ, shall receive monthly statements of income and expenses for the Company(s) (the "Monthly Reports"). Weltman, so long as he is competent to do so, to sign and attest to the truthfulness and accuracy of such Accounting. Distributions shall be made quarterly, due and payable on the fifteenth (15th) day of the month following each calendar quarter in arrears, provided that Parker and the Weltman Parties have approved the Accounting related to such Distribution, with the Parties' understanding that the first calendar quarter may only be a partial quarter based on the timing of the Effective Date, subject to a late penalty of five (5%) percent of the amount due and subject to the declaration of a default in the event of a failure to provide the Monthly Reports or in the event of non-payment of required Parker Distribution(s) upon Parker's approval of the Accounting and proper written notice of such non-payment, all of which shall be subject to the continuing jurisdiction of the Bankruptcy Court 6.

6. Class 5 - This Class is Impaired; The General Unsecured Claims of the Debtor.

(a) Definition of the Class 5 Claim

Class 5 consists of the Scheduled Class 5 General Unsecured Claims and post-petition claims of the Debtor. The aggregate amount of such Scheduled Class 5 claims is \$30,179,252.50. There are ten (10) claimants in this Class 5, as follows:

1. Jay Hyman, Trustee of the Jay Hyman Living Trust - \$236,500.00;
2. William and Ruthann Catambay - \$486,726.42;
3. LSW Note Deficiency, LLC. - 7,883,697.15;
4. Builder Services Group, Inc. - \$53,775.30;

5. Indigo Real Estate, LLC - \$7,788,032.00;
6. Claim of PNC Bank, N.A. ("PNC") - \$3,914,000.00
7. Chase Manhattan Bank - \$27,141.63;
8. American Express - \$4,000.00;
9. Vizio, Inc. and Amtran Technologies – Unknown; and
10. Indenture Trustee - \$9,785,380.00.

Vizio, Inc., Amtran Technologies, PNC's and Carole R. Korn's claims against the Debtor are disallowed. Any judgments entered against the Debtor by them are directed to be set aside as void *ab initio*.

(b) Treatment of the Class 5 Claim.

Pursuant to the settlement by and between the Debtor and the Trustee, the Trustee shall not participate in any distributions pursuant to the treatment of its claim as part of this Class 5.

Upon the Effective Date the unsecured claimants in this Class 5 shall share proportionately in the Debtor's Income for each Distribution Year during the Distribution Period, subject to the limitations set forth in this Section 6(b), subsections (i) through (vii) ("Income"), as follows:

(i) Income expressly includes any distributions to Weltman from Losowe or Phoenix, whether in respect of Weltman's capital accounts or the Weltman Employment Agreement as such terms are used in this Disclosure Statement;

(ii) Income expressly excludes any distributions of capital from Highland related to Weltman's capital account, but includes any distribution of income from Highland, subject to the approval of the transfer of the membership interests of Highland pursuant to the Plan;

(iii) Aggregate distributions to the unsecured claimants by Weltman shall be limited during the Distribution Period to \$300,000.00 (the "Class 5 Distribution Cap");

(iv) Exempt Income Amount shall be exempt from distribution to the unsecured claimants;

(v) For each Distribution Year, the Class 5 Claimants shall be distributed that percentage of Income above the Exempt Income Amount as follows (the "Class 5 Distribution Participation"): Year 1, 5%; Year 2, 7.5%; Year 3, 10%; Year 4, 12.5%; and Year 5, 15%;

(vi) Other than the Class 5 Distribution Participation, the Exempt Income Amount and the Class 5 Distribution Cap, there shall be no other limitation on the absolute dollar amount of Income to be distributed to the unsecured claimants in any Distribution Year.

(vii) The Class 5 Claimants shall be provided periodic accounting reports by the Debtor's accountant in a form and as frequently as the Debtor and the Class 5 Claimants agree.

D. Distributions Under the Plan

Subject to Rule 9010, and except as otherwise provided in the Plan, distributions under the Plan shall be made annually by the Reorganized Debtor to the holder of each Allowed Claim at the address of such holder as listed on the Schedules and/or Proof of Claim as of the Effective Date unless the Debtor or Reorganized Debtor has been notified in writing of a change of address, including by the filing of a proof of Claim by such holder that provides an address different from the address reflected on the Schedules.

Payments of Cash pursuant to the Plan shall be made on an annual basis by check drawn on a domestic bank or by wire transfer. Any payment or distribution required under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

When any distribution on account of an Allowed Claim pursuant to the Plan results in a Distribution that is not a whole number, the actual cash distribution shall be adjusted by rounding as follows: fractions of 1/2 or greater shall be rounded to the next higher whole number and fractions of less than 1/2 shall be rounded to the next lower whole number.

Any distributions of Cash or property under the Plan that is unclaimed for a period of six (6) months after the date paid shall constitute Unclaimed Funds and any entitlement of any holder of any Claim to such distributions shall be extinguished and forever barred.

Unless otherwise provided herein, all Initial Distributions and deliveries to be made on the Effective Date shall be made on that date ("Initial Distribution Date"). Subsequent distributions shall be made in accordance with the terms set forth in the Plan.

The Effective Date of the Plan shall be fourteen (14) days after the date of Confirmation of the Plan.

E. Executory Contracts and Unexpired Leases

The Code grants the Debtor the power, subject to the approval of the Court, to assume or reject executory contracts and unexpired leases. If an executory contract or unexpired lease is rejected, the other party to the agreement may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, such damage claims are subject to certain limitations imposed by the Code.

Pursuant to sections 365(a) and 1123(b)(2) of the Code, all executory contracts and unexpired leases between the Debtor and any Person shall be deemed rejected by the Reorganized Debtor as of the Effective Date, except for any executory contract or unexpired lease (i) which is provided for above or that previously has been assumed or rejected pursuant to an order of the Court entered prior to the Effective Date, (ii) as to which a motion for approval of the assumption or rejection of such executory contract or unexpired lease has been filed and served prior to the Effective Date or (iii) which is listed on the Assumption List which shall be filed with the Court and served on the affected parties by no later than twenty (20) days prior to the Balloting Deadline; *provided, however*, that the Reorganized Debtor shall have the right, on or prior to the Confirmation Date, to amend the Assumption List to delete any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which

event such executory contract(s) or unexpired lease(s) shall be deemed, respectively, assumed or rejected. The Reorganized Debtor shall provide notice of any amendments to the Assumption List to the non-debtor parties to the executory contracts and unexpired leases affected thereby. The listing of a document on the Assumption List shall not constitute an admission by the Proponent or Reorganized Debtor that such document is an executory contract or an unexpired lease or that the Debtor or Reorganized Debtor have any liability thereunder.

1. Leases; Rejected Executory Contracts Deemed Rejected 120 Days After Effective Date

The Debtor has assumed the Lexus Lease and shall continue to make the Lease Payments according to the lease agreement with JM Auto and maintain the insurance on the leased property during the term of the lease agreement. Lease payments are current under the Lexus Lease. Accordingly, with the exception of the Phoenix Employment Agreement, insurance agreements and the Lexus Lease, all of the Debtor's executory contracts or unexpired leases, if any, to the extent they are valid executory contracts or unexpired leases, shall be deemed rejected by the Debtor effective one hundred and twenty (120) days after the Effective Date. The Reorganized Debtor's obligations to make such payments shall terminate on the one hundred and twenty-first (121st) day after the Effective Date. The Reorganized Debtor reserves the right to contest the validity and amount of such executory contracts and unexpired leases.

2. Insurance Policies

Each of the Debtor's insurance policies and any agreements, documents or instruments relating thereto, including without limitation, any retrospective premium rating plans relating to such policies, shall be treated as executory contracts under the Plan. Notwithstanding the foregoing, distributions under the Plan to any holder of a Claim covered by any insurance policies and related agreements, documents or instruments that are assumed hereunder, shall comply with the treatment provided under the Plan. Nothing contained in the Plan shall constitute or be deemed a waiver or release of any Action that the Debtor may hold against any entity, including, without limitation, the insurers under any of the Debtor's policies of insurance.

3. Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases

Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to Article 7 of the Plan and (ii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to the Plan.

a. Cure of Defaults

To the extent that cure payments are due with respect to an executory contract or unexpired lease to be assumed pursuant to the Plan, the amount of such cure payment shall be listed in the Plan Supplement. To the extent that the non-debtor party to any executory contract or unexpired lease

disagrees with the cure amount listed in the Plan Supplement, such party must file a notice of dispute with the Court and serve such notice on the Debtor by no later than five (5) days prior to the Confirmation Hearing. Except as may otherwise be agreed to by the parties or provided herein, within ninety (90) days after the Effective Date, the Reorganized Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed pursuant to the Plan in accordance with section 365(b)(1) of the Code. Except as otherwise provided herein, all disputed defaults that are required to be cured shall be cured either within ninety (90) days of the entry of a Final Order determining the amount, if any, of the Debtor's or Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties. If there are any objections filed, the Court shall hold a hearing. In the event the Court determines that the cure amount is greater than the cure amount listed by the Debtor, the Reorganized Debtor may elect to reject the contract or unexpired lease and not pay such greater cure amount.

b. Bar Date for Filing Claims Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan

Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Court and/or served upon the Debtor or the Reorganized Debtor or as otherwise may be provided in the Confirmation Order, by no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order, and (iii) notice of an amendment to the Assumption List. Any Claim not filed within such time will be forever barred from assertion against the Debtor, its Estate, the Reorganized Debtor and its property. Unless otherwise ordered by the Court, all Claims arising from the rejection of executory contracts and unexpired leases shall be treated as Unsecured Claims under the Plan. The Debtor shall reserve funds for claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan.

F. Modification/Revocation of the Plan

Subject to the restrictions on plan modifications set forth in section 1127 of the Bankruptcy Code, the Debtor reserves the right to alter, amend or modify the Plan before its substantial consummation.

The Debtor further reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. Such withdrawal or revocation shall not prejudice the any rights of the Debtor. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Actions by or against the Debtor or any other Person, an admission against interests of the Debtor, nor shall it prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

G. Effect of Confirmation

The Plan shall be binding upon and inure to the benefit of the Debtor, the holders of Claims, and their respective successors and assigns, including, without limitation, the Reorganized Debtor.

1. Continued Corporate Existence

The Debtor, as an individual, following the Effective Date will be permitted to engage in business free of restrictions imposed by the Code, the Bankruptcy Rules or by the Court, subject only to the terms and conditions of the Plan and the Confirmation Order.

2. Vesting of Assets

Except as otherwise provided in the Plan and the Confirmation Order, on the Effective Date, the Reorganized Debtor shall be vested with all of the property of the Estate free and clear of all Claims, liens, encumbrances, charges, and other interests, including but not limited to that of holders of Claims, if any. The Reorganized Debtor shall assume all of the Debtor's rights, obligations and liabilities under the Plan.

H. Discharge, Exculpation, Injunction, Release and Limitation of Liability

1. Discharge of Debtor

Except as otherwise provided herein or in the Confirmation Order, the rights afforded herein and the treatment of all Claims herein shall be in exchange for and in complete satisfaction, discharge and release of Claims of any nature whatsoever, including any interest accrued on such Claims from and after the Commencement Date, against the Debtor and the Debtor in Possession, the Estate, any of the assets or properties under the Plan. Confirmation of this Plan does not discharge any debt provided for in this Plan until the court grants a discharge on completion of all payments under this Plan, or as otherwise provided in § 1141(d)(5) of the Code. The Debtor will not be discharged from any debt excepted from discharge under § 523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

2. Injunction Related to Discharge

Except as otherwise expressly provided in the Plan, the Confirmation Order or a separate order of the Court, all Persons who have held, hold or may hold Claims against the Debtor are permanently enjoined, on and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, (ii) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order against the Debtor on account of any such Claim, (iii) creating, perfecting or enforcing any Lien or asserting control of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim, and (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or against the property or interests in property of the Debtor on account of any such Claim. Such injunctions shall extend to successors of the Debtor and his respective properties and interests in property.

3. Injunction Against Interference with the Plan

Upon the entry of a Confirmation Order with respect to the Plan, all holders of Claims

and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan, except with respect to actions any such entity may take in connection with the pursuit of appellate rights.

4. Votes Solicited in Good Faith

The Proponent has, and upon confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and on account of such solicitation will not, be liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan.

5. Term of Bankruptcy Injunction or Stay

All injunctions or stays provided for in the Case under sections 105 or 362 of the Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

I Retention of Jurisdiction

The Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Code and for, among other things, the following purposes to:

(a) hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of Claims resulting, therefrom;

(b) determine any and all adversary proceedings, motions, applications and contested matters, and other litigated matters pending on the Confirmation Date;

(c) hear and determine all Actions, including, without limitation, Actions commenced by the Debtor or any other party in interest with standing to do so, pursuant to sections 505, 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 of the Code, collection matters related thereto, and settlements thereof;

(d) hear and determine objections to or the allowance, classification, priority, compromise, estimation or payments of Administrative Claims, Claims or Equity Interests;

(e) ensure that Distributions to holders of Allowed Claims are accomplished as provided in the Plan;

(f) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(g) issue such orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Code;

(h) consider any amendments to or modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in the Plan, the Plan Supplement, or any order of the Court, including, without limitation, the Confirmation Order;

(i) hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 330, 331, and 503(b) of the Code;

(j) hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(k) recover all Assets of the Debtor and Property of the Estate, wherever located;

(l) enforce the Plan, the Confirmation Order and any other order, judgment, injunction or ruling entered or made in the Case, including, without limitation, the discharge, injunction, exculpation and releases provided for in the Plan;

(m) take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following consummation;

(n) hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Code (including, but not limited to, an expedited determination under section 505(b) of the Code of the tax liability of the Debtor for all taxable periods through the Effective Date for all taxable periods of the Debtor through the liquidation and dissolution of such entity);

(o) enter and implement orders and take such actions as may be necessary or appropriate to restrain interference by any Person or Entity with the consummation or implementation of the Plan, including, without limitation, to issue, administer, and enforce injunctions, releases, assignments, or indemnity obligations contained in the Plan and the Confirmation Order;

(p) hear any other matter not inconsistent with the Code; and

(q) enter a final decree closing the Case; provided however, that nothing in the Plan shall divest or deprive any other court or agency of any jurisdiction it may have over the Reorganized Debtor under applicable environmental laws.

J. Objections to Claims

Subject to applicable law, from and after the Effective Date, the Reorganized Debtor will have the authority to file, settle, compromise, withdraw, arbitrate or litigate to judgment objections to Claims pursuant to applicable procedures established by the Bankruptcy Code, the Bankruptcy Rules and the Plan. Any and all objections to any claim must be filed prior to the Objection Deadline, or as otherwise ordered by the Court, or with respect to rejection claims, prior to the Objection to Rejection Claims Deadline. An Objection to the allowance of a Claim or Interest will be in writing and may be filed with the Bankruptcy Court by the Debtor or the Reorganized Debtor, at any time on or before the applicable claim objection deadline. The failure by the Debtor to object to any Claim or Interest for voting purposes will not be deemed a waiver

of the right to object to, or re-examine, any such Claim in whole or in part.

K. Transfers Within Two Years Prior to Petition

With the exception of the preferential transfer claims asserted against Jill Weltman and Nicole Weltman, which have been resolved, the Reorganized Debtor shall retain any and all claims against third-parties, including all claims arising under Chapter 5 of the Bankruptcy Code, including any and all avoidance actions or actions based on fraudulent or preferential transfers that are not dealt with under this Plan.

L. Miscellaneous Provisions; Post-Confirmation Date Service List

From and after the Confirmation Date, all notices of appearance and demands for service of process filed with the Court prior to such date shall no longer be effective. No further notices, other than notice of entry of the Confirmation Order, shall be required to be sent to such Entities.

V. CONFIRMATION OF THE PLAN

A. Solicitation of Votes

In accordance with sections 1126 and 1129 of the Bankruptcy Code, the Classes above listed as impaired are impaired and the holders of Allowed Claims or Equity Interests in those Classes are entitled to vote to accept or reject the Plan. An Impaired Class of Claims will have accepted the Plan if (i) the holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept the Plan, and (ii) the holders of more than one-half in number of the Allowed Claims actually voting in the Class voted to accept the Plan, not counting the vote of any holder designated under section 1126(e) of the Bankruptcy Code or any insider. A vote may be disregarded if the Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Code.

B. Confirmation Hearing

The Bankruptcy Court shall schedule the Confirmation Hearing to consider approval of this Disclosure Statement and confirmation of the Plan before the Honorable Karen K. Specie, Judge for the United States Bankruptcy Court for the Northern District of Florida, located at the United States Bankruptcy Court, 110 East Park Avenue, Suite 100, Tallahassee, Florida 32301. The Confirmation Hearing may be adjourned from time to time without notice except as given at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing. The Bankruptcy Court shall set forth a deadline to file objections, if any, to the approval of this Disclosure Statement or the confirmation of the Plan.

Any objection to Confirmation must be in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim. Any such objection must be filed with the Court and serviced so that it is received by the Bankruptcy Court and the following parties on or before the deadline set by the Bankruptcy Court:

MERRILL PA

David Lloyd Merrill, Esq.
Trump Plaza Office Center
525 S. Flagler Drive, 5th Floor
West Palm Beach, Florida 33401
Phone: +1.561.877.1111;

and

Jason Egan, Esq.
Office of the U.S. Trustee
110 East Park Avenue, Room 120
Tallahassee, FL 32301

C. Confirmation Standards

For a plan to be confirmed, the Bankruptcy Code requires, among other things, that a plan be proposed in good faith and comply with the applicable provisions of chapter 11 of the Bankruptcy Code. Section 1129 of the Bankruptcy Code also imposes requirements that with respect to each class of claims or interests, such class has accepted the plan or such class is not impaired under the plan, that confirmation of a plan is not likely to be followed by the need for further financial reorganization, that a plan be in the best interest of creditors, and that a plan be fair and equitable with respect to each impaired class of claims or interests under the plan.

The Bankruptcy Court will confirm a plan only if it finds that all of the requirements enumerated in section 1129 of the Bankruptcy Code have been met. As set forth in more detail in the following section, the Proponent believes that the Plan satisfies all of the requirements for confirmation.

VI. FUNDING AND FEASIBILITY OF THE PLAN, AND RISK FACTORS BEARING UPON THE SUCCESS OR FAILURE OF THE PLAN

A. Funding of the Plan

Funds to be used to make cash payments under the Plan shall derive from the Debtor's cash on the Effective Date, income of the Debtor and from minimal loans from NWJ, subject to the resolution of the Adversary Proceeding.

B. Best Interests Test and Liquidation Analysis

With respect to each impaired Class of Claims and Equity Interests, confirmation of the Plan requires that each holder of an Allowed Claim or Equity Interest either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on such date. To determine what holders of Claims and Equity Interests of each impaired Class would receive if the Debtor were liquidated under Chapter 7, the Bankruptcy Court must determine the dollar amount that would be generated from

the liquidation of the Debtor's assets and properties in the context of a Chapter 7 liquidation case and the assets were liquidated by a Trustee in bankruptcy. The cash amount that would be available for satisfaction of Claims and Equity Interests would consist of the proceeds resulting from the disposition of the unencumbered assets and properties of the Debtor, augmented by the unencumbered cash held by the Debtor at the time of the commencement of the liquidation case. Such cash amount would be reduced by the amount of the costs and expenses of the liquidation and by such additional administrative expenses and priority claims that might result from the termination of the Debtor's business and the use of chapter 7 for the purposes of liquidation.

The cost of liquidation under Chapter 7 would include expenses relating to the wind-down of the business, including computer expenses, consulting expenses, maintenance and repair expenses, plant operations expenses, office expenses, marketing expenses, marketing expenses, payroll expenses and license fees; the fees payable to the Chapter 7 trustee, as well as those fees that might be payable to other professionals that such a trustee might engage. In addition, claims would arise by reason of the breach or rejection of obligations incurred, and leases and Executory Contracts assumed or entered into by the Debtor during the pendency of this Chapter 11 case. The foregoing types of claims and other claims that might arise in a liquidation case or result from the pending Chapter 11 case, including any unpaid expenses incurred by the Debtor during the Chapter 11 Case such as compensation for attorneys, financial advisors and accountants, would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay pre-petition Claims.

To determine if the Plan is in the best interests of each impaired Class, the present value of the distributions from a liquidation of the Debtor's unencumbered assets and properties, after subtracting the amounts attributable to the foregoing Claims, are then compared with the value of the property offered to such Classes of Claims and Equity Interests under the Plan.

After considering the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Chapter 11 case, including i) the increased costs and expenses of a liquidation under Chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, ii) the erosion in value of assets in a Chapter 7 case in the context of the expeditious liquidation required under Chapter 7 and the "forced sale" environment that would prevail, and iii) the substantial increases in Claims which would be satisfied on a priority basis or on parity with creditors in the Chapter 11 Case, the Proponent has determined that confirmation of the Plan will provide each holder of an Allowed Claim with a recovery that is not less than such holder would receive pursuant to liquidation of the Debtor under Chapter 7.

The Liquidation Analysis is attached hereto as **Exhibit "C"**. The information set forth in **Exhibit "C"** provides a summary of the liquidation values of the Debtor's assets, assuming a Chapter 7 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the Debtor's Estate. Reference should be made to the Liquidation Analysis for a complete discussion.

The Liquidation Analysis was prepared by the Debtor and reflects the Debtor's best estimates of the information set forth therein. However, the Liquidation Analysis includes estimates and assumptions considered reasonable by the Debtor, but are inherently subject to

economic and competitive uncertainties and contingencies beyond the control of the Debtor. The Liquidation Analysis is also based on assumptions with regard to liquidation decisions that are subject to change. Accordingly, the values reflected might not be realized if the Debtor was, in fact, to undergo such a liquidation. It should also be noted that the Debtor's plan proposes payment of some allowed general unsecured claims, which could not, by definition and in accordance with the expenses described above, occur in a liquidation scenario.

The Proponent believes that the value of the property offered to holders of under the Plan is greater than the present value of the distributions from the proceeds of a liquidation of the Debtor's unencumbered assets and properties. However, the Proponent's reliance on the Debtor's Liquidation Analysis herein should not be construed as an acknowledgment of the Proponent that either the total figure arrived at or the allocation of claims status to various Insider Claims is appropriate or necessary. The Proponent reserves the right to submit an amended liquidation analysis prior to the Confirmation Hearing.

C. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires a Proponent to demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor unless so provided by the plan of reorganization. For purposes of determining whether the Plan meets this requirement, the Proponent has analyzed his ability to meet his financial obligations as contemplated thereunder. As part of this analysis, the Proponent has prepared a five (5) year projection set forth in **Exhibit "D"** hereto, which the Proponent believes indicates that he will be able to make all payments required to be made pursuant to the Plan. Moreover, the Debtor is cash flow positive. Accordingly, the Proponent asserts that he is able to perform all of his obligations under the Plan, and as such, the Plan satisfies section 1129(a)(11) of the Bankruptcy Code.

D. Risk Factors bearing upon the success or failure of the plan

While it is impossible to predict and relay all of the factors to creditors which can have a bearing upon the risk of failure of plan, it is important to note that this plan harbors very insignificant risk as compared to other individual Chapter 11 cases: while the Debtor is not an employee earning a salary, he has no fixed obligations other than those tied to the Lots, which will be repaid upon a sale of the Lots. Otherwise, the majority of the Debtor's income is projected to be from incentive compensation related to the income derived from the restructuring of Phoenix's clients, present and future. As reflected in the Projections, NWJ shall make up the minimal shortfall in the funding requirements of the Plan before the realization of the incentive compensation. As such, the Debtor is uniquely able to ensure a steady flow of cash to fund the Plan. Accordingly the risk of failure of completing this plan is deemed to be low.

VII. ALTERNATIVES TO THE PLAN

Although this Disclosure Statement is intended to provide information to assist a Claim or Interest holder in determining whether to vote for or against the Plan, a summary of the alternatives to confirmation of the Plan may be helpful.

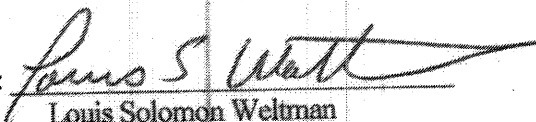
If the Plan is not confirmed and consummated, the alternative to the Plan is liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

If no plan is confirmed, the Chapter 11 Case may be converted to a case under Chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be selected to liquidate the Debtor's assets for distribution in accordance with the priorities established by Chapter 7. As discussed previously, the Proponent believes that liquidation under Chapter 7 would result in smaller distributions being made to Creditors than those provided for in the Plan because i) the sale of the Debtor's assets would not be sufficient to make any distribution to unsecured creditors, (ii) the Debtor would have to sell or otherwise dispose of his assets in a forced sale situation over a short period of time, (iii) additional administrative expenses would be involved in the appointment of a trustee, and (iv) additional expenses and claims, some of which would be entitled to priority, would be generated during the liquidation.

If the Chapter 11 Case were dismissed, Creditors would be free to pursue non-bankruptcy remedies in their attempts to satisfy claims against Debtor. However, in that event, Creditors would be faced with the costs and difficulties of attempting to collect claims from either a non-operating entity or an entity in foreclosure from its Secured Creditors.

CONCLUSION

For all the reasons set forth in the Disclosure Statement, the Proponent believes that confirmation and consummation of the Plan is preferable to all other alternatives. The Plan provides a distribution to all Allowed Creditors in all Classes, which could not occur if this case were dismissed or converted to a Chapter 7 liquidation. Consequently, the Debtor urges all eligible holders of Impaired Claims and Interests to vote to accept the Plan, and to complete and return their ballots so they will be received on or before the deadline set by the Bankruptcy Court.

By: 
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