

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION

In Re:

Case No. 16-10261-KKS

DON GREEN FARMS, INC.,

Chapter 11

Debtor in Possession.

Jointly Administered with
Case No. 16-10260-KKS

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CHAPTER 11 DISCLOSURE STATEMENT

Pursuant to 11 U.S.C. § 1125

CHILDERSLAW 

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Table of Contents

IMPORTANT DATES / DEADLINES FOR THIS CASE (PROPOSED) 1
VOTING INSTRUCTIONS AND PROCEDURES 1
PURPOSE OF THE DISCLOSURE STATEMENT 2
DESCRIPTION OF THE DEBTORS 3
THE CHAPTER 11 PLAN 6
THE CLASSES OF CREDITORS AND INTEREST HOLDERS 6
RELEASES AND LIMITATIONS OF LIABILITY 6
REQUIREMENTS FOR CONFIRMATION OF THE PLAN 7
LIQUIDATION ANALYSIS..... 7
RECOMMENDATION AND CONCLUSION 8

Important Dates / Deadlines for this Case (Proposed)

Ballot Submission Deadline:	May 1, 2017
Confirmation Hearing:	May 4, 2017
Objections Due Date:	April 15, 2017

Note that the Court may adjourn the Confirmation Hearing from time to time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

Voting Instructions and Procedures

If you have a claim or interest in this bankruptcy case, then you are considered a claimant or interest holder. Not every claimant and interest holder is entitled to vote, but those that are entitled have the right to vote to accept or reject the proposed Plan. In this Plan, only holders of allowed claims in the "impaired" classes are entitled to vote, unless any named class will receive no distribution under the Plan, in which case the class will be deemed to have rejected the Plan. Any class that is determined to be satisfied in full under the Plan is considered "unimpaired," is deemed to have accepted the plan, and will not vote.

Acceptance of the Plan is calculated by class. A class of claims accepts a plan when the creditors in that class who vote to accept the plan hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots to accept or reject in that class.

Only this Disclosure Statement may be used to solicit votes for the Plan. No other person or method is authorized for this purpose. Along with the mailing of this Disclosure Statement, as part of the solicitation of acceptances of the Plan, the Debtor will send copies of:

- (1) the Plan;
- (2) the notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time and place of the hearing to consider confirmation of the Plan and related matters (the "Confirmation Hearing"), and the time for filing objections to confirmation of the Plan (the "Confirmation Hearing Notice");
- (3) if you are the holder of a Claim or Interest entitled to vote on the Plan, one or more Ballots (and return envelopes) to be used by you in voting to accept or to reject the Plan; and

(4) the Order entered by the Bankruptcy Court approving the procedures to be utilized in soliciting acceptances of the Plan (the "Solicitation Procedures Order").

In addition to any method identified in the Solicitation Procedures Order, you may also file your ballot by mailing your completed ballot to the Clerk, U.S. Bankruptcy Court, 110 East Park Avenue, Suite 100, Tallahassee, Florida 32301. Ballots not received by the Ballot Deadline will be disregarded.

If you have any questions about (1) the procedure for voting your Claim or Interest or with respect to the packet of materials that you have received or (2) the amount of your Claim or Interest, or if you wish to obtain, at your own expense, unless otherwise specifically required by Federal Rule of Bankruptcy Procedure 3017(d), an additional copy of the Plan, this Disclosure Statement or any appendices or exhibits to such documents, please contact:

Seldon J. Childers
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2137 NW 40th Terrace, Suite B
Gainesville, Florida 32605
(352) 335-0400

Purpose of the Disclosure Statement

This Disclosure Statement has been prepared consistent with the requirements of 11 U.S.C. § 1125, and is intended to provide interest holders and claimants with adequate information to make a reasonably informed decision about voting to support or reject the Debtor's Chapter 11 Plan. There are legal issues related to Chapter 11 Bankruptcy that may require you to confer with an attorney. This Disclosure Statement is not intended to inform you of any legal rights that you may have.

This Disclosure Statement contains summaries of certain elements of the Chapter 11 Plan, discussions of the application of bankruptcy law, background information, and certain financial information. Although this information is believed to be fair and accurate, it is not intended to be precise and/or necessarily specific. The information contained herein and in the Plan have been provided by management of the Debtor, who does not warrant that any of the information contained herein is without material inaccuracy or omission. Neither the Disclosure Statement nor the Plan have been separately audited by any CPA or third party.

Description of the Debtors

1. Description of the Debtors' business:
 - a. The Debtor, Don Green Farms, Inc., ("DGFI") operates a farming business in Newberry, Florida.
 - b. The Debtor, Donald R. Green, is the principal of DGFI, and he owns farmland and farm equipment subject to the claims of secured creditors. Mr. Green is a farmer.

2. Location of Debtors' operations:

The principal place of the Debtors' business is located at 21404 SW 30th Avenue, Newberry, Florida 32669. Other locations of the Debtors operations are identified and described below.

3. Reason for filing Chapter 11: The Debtors' income was reduced after the collapse of a failed farming venture, Greenrees, LLC. In undertaking the venture, Mr. Green guaranteed the debts of Greenrees, LLC. When Greenrees, LLC failed, Mr. Green was unable to service his obligations. Additionally, poor crop yields made it impossible for Mr. Green and DGFI to service their own debt.

4. List of members of the DGFI: Donald R. Green.

5. Percentage of ownership of the members of the Debtor LLC: 100%.

6. Salary and benefits at the time of the Chapter 11 filing and during the one year prior to filing: Mr. Green does not have an established salary at the time of the filing of this case nor in the previous year to the filing.

7. Debtors' annual gross revenues: Approximately \$900,000.00 in the years prior to the petition.

8. Amounts owed to various classes of creditors as of the Petition Date:

Don Green Farms, Inc.
 - A. Priority Unsecured Claims: \$ 2,598.87
Internal Revenue Service

 - B. Secured Claims: \$1,302,985.38

Secured Creditors:
Regions Bank, N.A.

C. General Unsecured Claims: \$ 2,742,872.37
(without regard to any bifurcated claims)

Donald R. Green

A. Priority Unsecured Claims: \$ 244,585.57
Internal Revenue Service

B. Secured Claims: \$ 1,832,982.21
Subject to bifurcation into secured and unsecured portions.

Secured Creditors:

Regions Bank, N.A.

Kubota Credit Corporation, U.S.A.

Nationstar

CapitalOne Equity Line

U. S. Department of Agriculture

C. General Unsecured Claims: \$ 3,466,415.24
(without regard to any bifurcated claims)

9. Debtor, Donald R. Green's, real estate holdings (Don Green Farms, Inc., owns no real estate):

A. Single family homestead residence of Donald R. Green and Elaine Green, his wife. Located at 2301 SW SR45, Newberry, FL.

Short Legal: COM NE COR OF SW1/4 OF NW1/4 OF SEC S 400 FT TO POB W 1050 FT SELY 450 FT E 950 FT N 400 FT M/L TO POB OR 3178/0613

Parcel number: 02544-000-000

B. Approximately 180 contiguous acres of farmland, located at 21006 SW 30TH AVE, Newberry, FL.

Short Legal (by parcel number):

02556-000-000: N1/2 of SW1/4 LESS SW1/4 OF NW1/4 OF SW1/4 OR 3178/0613

02556-001-000: S1/2 OF SW1/4 OR 3178/0613

02556-002-000: SW1/4 OF NW1/4 OF SW1/4 OR 1076/341

02548-003-000: THE E 18 AC OF THE NE1/4 OF THE SE1/4 OF SEC OR 3178/0613

02548-006-000: THE W 2 AC OF E1/2 OF NE1/4 OF SE1/4 AND THE E 1 AC OF W1/2 OF NE1/4 OF SE1/4 OR 3264/1098

Parcel numbers: 02556-000-000; 02556-001-000, 02556-002-000, 02548-003-000, 02548-006-000

- C. Farmland, 51.93 acres, jointly owned with Elaine Green, located off of SW 250th ST in Newberry, FL.

Short Legal: COM SW COR SEC N 87 DEG 55 MIN 36 SEC E 40.01 FT N 00 DEG 50 MIN 03 SEC W 907.63 FT POB N 00 DEG 50 MIN 03 SEC W - 433.46 FT N 87 DEG 55 MIN 36 SEC E 5221.58 FT S 00 DEG 27 MIN 39 SEC E 433.53 FT S 87 DEG 55 36 SEC W 5218.75 - FT POB OR 3936/060

Parcel Number: 02653-000-000

- D. Real property located at 805 NW SR 45, Newberry, FL, jointly owned with Cindy G. Bass.

Short Legal: COM SW COR SEC E 50 FT TO E R/W SR 45 POB E 280.3 FT N 205 FT W 162 FT N 121 FT W 118.3 FT S 326 FT TO POB OR 1226/ - 0751 & OR 2141/0205 & OR 3718/1272

Parcel Number: 01916-002-000

- E. Residential property located at 97 SE 241st ST, Suwannee, FL, jointly owned with Elaine Green.

Short Legal: 19 13 12 LOTS 195 & 196 & NELY 1/2 LOT 194 SUWANNEE SHORES ADD 2 ORB 31 P 370 & ORB 30 P 150 ORB 252 P 770

Parcel Number: 19-13-12-2994-0002-1940

10. Fixed assets include: Cash in bank, farm equipment, office furniture and equipment.
11. Status of Debtor's payroll/sales tax obligations: Don Green Farms, Inc., has a single employee: Brian Paul.
12. Number of employees: One.

Since the inception of the bankruptcy case, the Debtors have been filing, and will continue to file all required monthly operating reports through the Confirmation Date.

The Chapter 11 Plan

Generally, the Plan provides for the liquidation of the Debtors' non-exempt assets.

A full description of the Chapter 11 Plan can be found in the Plan itself, which has been attached to this Disclosure Statement as its **Exhibit A**, and is incorporated thereby herein.

The Classes of Creditors and Interest Holders

The Debtors have classified claims against and interests in the respective Debtors into classes that contain claims and interests that are substantially similar to the other claims and interests in such class. The Plan provides for the treatment of each class (other than administrative claims and priority tax claims which, pursuant to Section 1123(a)(1), do not need to be classified).

Note: the Debtors retain the right to challenge or object to any claim despite the inclusion of any creditor or class of creditors here or in the Plan.

The classes as the Debtors has organized creditors into classes as described more fully in the Plan.

All administrative costs must be paid in full before the Plan can be confirmed.

Releases and Limitations of Liability

The Debtors and their members, partners, officers, directors, employees and agents (including any attorneys, accountants, financial advisors, and other professionals or agents retained by the Debtor and Reorganized Debtor) shall not be liable to any party for any act they may do, or omit to do, in connection with or arising out of the Plan, the administration of the Plan, or the property to be distributed under the Plan. However, this paragraph shall not apply to any act of gross negligence or willful misconduct as determined by a Final Order of the Bankruptcy Court.

The Confirmation Order will enjoin the prosecution of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Confirmation Date all persons who have held, hold or may hold claims against or interests in the Debtors are permanently enjoined from taking any of the following actions against the Estates, or any of their property on account of any such claims or interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any lien or encumbrance; (D) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan.

By voting in favor of, or accepting distributions pursuant to, the Plan, each holder of a claim or interest will be deemed to have specifically consented to the injunctions set forth in the Plan.

Requirements for Confirmation of the Plan

The Bankruptcy Court will determine at the hearing on confirmation of the Plan (the "Confirmation Hearing") whether the requirements for confirmation, as set forth in Section 1129 of the Bankruptcy Code, have been satisfied. Generally speaking, the Plan must be: fair to creditors, have a reasonable probability of success, compliant with the various requirements of the Bankruptcy Code, and proposed in good faith.

Unless an affected party waives a particular right, in order for the Plan to become "Effective," certain conditions must be met, including: the entry of a final confirmation order, the Debtors have been authorized to effectuate the Plan and execute necessary documents, and all such documents have been executed.

Liquidation Analysis

In order to assist voting claimants and interest holders to evaluate the Plan, the Debtors have prepared a 'liquidation analysis,' set forth below, that compares the result under the Plan with the most likely outcome if a bankruptcy plan is not confirmed. Generally speaking, the failure to confirm a plan results in a forced liquidation by a chapter 7 trustee (if the case is converted to chapter 7), or a forced liquidation outside bankruptcy. In either case, the Debtor believes that the creditors will be worse off than they would be under the Chapter 11 Plan.

Specifically, the secured collateral owned by the Debtors is undersecured. A liquidation of those assets would provide no benefit whatsoever to priority and unsecured creditors. Liquidation after foreclosure would provide a discounted return to the secured creditors from the loss of value inherent in a forced sale. Both secured creditors of Don Green Farms, Inc., have consented to terms that could provide a potential distribution to unsecured creditors. A similar approach is outlined in the plan for the secured assets of Donald R. Green.

Recommendation and Conclusion

For all of the reasons set forth in this Disclosure Statement, the Debtors believe that confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Debtors urges all holders of voting classes to vote to ACCEPT the Plan, and to complete and return their ballots so that they will be RECEIVED by the Debtors on or before the Ballot Submission Deadline.

Dated as of: March 20, 2017.

BY DEBTOR: DON GREEN FARMS, INC.

By: /s/ Donald R. Green

Name: Donald R. Green

Title: President

BY DEBTOR: DONALD R. GREEN

By: /s/ Donald R. Green



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