

**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

_____/

CHAPTER 11 DISCLOSURE STATEMENT

Pursuant to 11 U.S.C. § 1125

CHILDERSLAW 

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Important Dates / Deadlines for this Case (Proposed)

Ballot Submission Deadline:	July 3, 2017
Confirmation Hearing:	June 1, 2017
Objections Due Date:	May 25, 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. Neither the Disclosure Statement nor the Plan have been separately audited by any CPA or third party.

Description of DGFI and Mr. Green

1. Description of the Debtors' businesses:
 - 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. Mr. Green also subleases the use of irrigation pivots he owns, which are located on the property of third parties. At this time, Mr. Green is paid a salary by Frey Farms in exchange for Mr. Green's management of a portion of Frey Farms' watermelon crop. This salary amounts to \$6,000 per month. At the conclusion of the watermelon season, Mr. Green will be paid a commission based upon the yield of the farmland he managed during the growing season.
- c. Mr. Green also holds a minority interest in Half Moon Growers, Inc., which operates a plant nursery on Mr. Green's real property (the 180 acre plot, of which approximately 30 acres is used by Half Moon Growers, Inc.). Mr. Green has been unable to locate any documentation regarding the nature of his interest, except that which is available from public records and tax returns show that he is a 44% shareholder. He contributed approximately \$300,000 to the company in 1999, when the company was formed, and Mr. Green has received irregular distributions since. Because the land on which it operates is being sold, the company plans on liquidating its inventory and winding down. Any consequent distribution to Mr. Green by Half Moon Growers, Inc., will be used to pay Mr. Green's Class 6 obligations pursuant to his Plan of Liquidation. In its 2016 tax return, Half Moon Growers, Inc. showed a loss of \$9,437, and the return also shows that the company holds assets valued at \$138,621. The tax return for 2016 is attached as Exhibit ____.

2. Location of Debtors' operations: The principal place of DGFI and Mr. Green's business is 21404 SW 30th Avenue, Newberry, Florida 32669. Other locations of DGFI and Mr. Green's operations are identified and described below.

3. Reason for filing Chapter 11: DGFI and Mr. Green's incomes were 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 debts.

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

5. Percentage of ownership of DGFI: 100% by Donald R. Green.

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. In his most recent tax return, Mr. Green's adjusted gross income for 2015 was (- \$29,738).

7. Debtors' annual gross revenues: The gross revenue from farming collected by DGFI is \$874,890.00, as listed on DGFI's 2015 tax return.

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

Don Green Farms, Inc.

- | | | |
|----|---|-----------------|
| A. | <u>Priority Unsecured Claims:</u>
Internal Revenue Service | \$ 2,598.87 |
| B. | <u>Secured Claims:</u>

<u>Secured Creditors:</u>
Regions Bank, N.A. | \$ 1,302,985.38 |
| C. | <u>General Unsecured Claims:</u>
(without regard to any bifurcated claims) | \$ 2,742,872.37 |

Donald R. Green

- | | | |
|----|--|-----------------|
| A. | <u>Priority Unsecured Claims:</u>
Internal Revenue Service | \$ 244,585.57 |
| B. | <u>Secured Claims:</u>
Subject to bifurcation into secured and unsecured portions.

<u>Secured Creditors:</u>
Regions Bank, N.A.
Kubota Credit Corporation, U.S.A.
Nationstar
CapitalOne Equity Line
U. S. Department of Agriculture
Growers Fertilizer Corporation | \$ 2,128,788.71 |
| C. | <u>General Unsecured Claims:</u>
(without regard to any bifurcated claims) | \$ 3,466,415.24 |

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. Mr. Green also holds a second mortgage on farmland owned by 23 Farms, LLC. With regard to the 23 Farms real property, Regions Bank holds a first mortgage, which after investigation appears to be in an amount that eclipses the value of the property. Mr. Green has asserted a claim in the ongoing 23 Farms chapter 11 case, but intends to take no further action at this time.

DGFI and Mr. Green also possess multiple irrigation systems, as illustrated by the chart below. These irrigation systems, or pivots, are to be liquidated under the plan. The method of liquidation will be first to list the property with a broker who will conventionally market the pivots. If the pivots owned by DGFI remain unsold after July 31, 2017, then they will be deeded to Regions Bank. The pivots owned by Donald R. Green will then be sold on an "as is, where is" basis at the highest price attainable by Donald R. Green.

Pivot Irrigation Systems

<i>Donald R. Green</i>	<i>Secured Creditor</i>	<i>DGFI</i>	<i>Secured Creditor</i>
Valley 4 Tower Pivot, 6" Pipe	USDA	Reinke 8 Towers plus stationary, 1440' of 6" tube	Regions Bank
Valley 4 Tower Pivot, 6" Pipe	USDA	Reinke 8 towers plus stationary, 1440' of 6" tube	Regions Bank
Valley 8 Tower Plus Rotating 360 Tower	USDA	Reinke 180 spacing stationary tower plus (8) pivots, 1440' of 6" pipe with sprinklers	Regions Bank
Valley 8 Tower Plus Rotating 360 Tower	USDA	Reinke 9 towers plus stationary, 6" tube, 1620' (13) suspended sprinklers	Regions Bank
Zimmatic 4 Tower Plus Stationary, 180' Spacing between Towers	USDA	Reinke 4 tower pivot	Regions Bank
Zimmatic 8 Pivots plus 360 Rotating Pivot, 180' Spacing, 6" Pipe w/	USDA	Reinke 3 tower pivot	Regions Bank

Valley Control Box
Zimmatic 180' Spacing USDA
Stationary Tower Plus 8
Pivots, 1449' Length, 6"
Pipe w/ Sprinklers

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, DGFI and Mr. Green have been filing, and will continue to file, all required monthly operating reports through the Confirmation Date.

Also affecting this case is an agreement approved by the Court addressing adequate protection for Regions Bank, the primary secured creditor of both Debtors (see Doc. 113 in Case No. 16-10261-KKS). The agreement calls for the liquidation of real and personal property secured by liens held by Regions Bank. It also calls for monthly payments of \$3,300.00 from DGFI and Mr. Green to Regions Bank until until the sooner of the sale of all personal property comprising Regions Bank's collateral or July 31, 2017, at which time the agreement is scheduled to end.

The Chapter 11 Plan

Generally, the Plan provides for the liquidation of DGFI and Mr. Green's 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

DGFI and Mr. Green 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: DGFI and Mr. Green 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.

DGFI and Mr. Green have 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

DGFI and Mr. Green 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 DGFI and Mr. Green 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 DGFI and Mr. Green; 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, DGFI and Mr. Green 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, DGFI and Mr. Green 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 DGFI and Mr. Green 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, DGFI and Mr. Green believe that confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, DGFI and Mr. Green 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 DGFI and Mr. Green on or before the Ballot Submission Deadline.

Dated as of: June 14, 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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