

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION
www.flsb.uscourts.gov

IN RE:

CASE NO.: 15-28907-JKO

GARRETT & KIMBERLY BISOGNO,

Chapter 11

Debtors.

DISCLOSURE STATEMENT

Garrett Bisogno and Kimberly Bisogno (hereinafter referred to as the "Debtors"), pursuant to 11 U.S.C. 1125 and Bankruptcy Rule 3016(c) hereby provide this Disclosure Statement (the "Disclosure Statement") to all known creditors in order to disclose that information deemed by the Debtors to be material, important and necessary for their creditors to arrive at a reasonably informed decision in exercising their right to vote for acceptance, rejection, or abstention from voting on the Debtors' First Plan of Reorganization, (hereinafter referred to as the "Plan"). A copy of the Plan accompanies this Disclosure Statement.

I. INTRODUCTION

Debtors filed its Plan with the United States Bankruptcy Court for the Southern District of Florida and, in connection with the Plan, the Debtors hereby submits its Disclosure Statement to all holders of claims against or interests in the Debtors, pursuant to Section 1125 of the Bankruptcy Code (the "Code").

NO REPRESENTATIONS CONCERNING THE DEBTORS (PARTICULARLY AS TO THEIR FUTURE BUSINESS OPERATIONS OR THE VALUE OF THIER ASSETS) ARE AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS STATEMENT. FUTURE VALUES OF ASSETS ARE SUBJECT TO CHANGING MARKET CONDITIONS

AND MAY NOT BE PREDICTED WITH COMPLETE ACCURACY, EVEN WHERE QUALIFIED APPRAISALS MAY BE AVAILABLE.

ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH ARE OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION TO ACCEPT OR REJECT THE PLAN.

EXCEPT WHERE OTHERWISE INDICATED, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN COMPILED BY MANAGEMENT OF THE DEBTORS AND HAS NOT BEEN SUBJECT TO CERTIFIED AUDIT.

THIS DISCLOSURE STATEMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY, AS OPPOSED TO RELYING ON THE SUMMARY. YOU MAY WISH TO CONSULT WITH A LAWYER IN ORDER TO FULLY UNDERSTAND THE DISCLOSURE AND PLAN ATTACHED HERETO.

THE Debtors BELIEVE THAT THIS DISCLOSURE STATEMENT COMPLIES WITH THE REQUIREMENTS OF THE BANKRUPTCY CODE, AND REQUEST THAT YOU CAREFULLY REVIEW THIS DISCLOSURE STATEMENT AND THE ACCOMPANYING PLAN, AND URGES THAT YOU ACCEPT THE PLAN BY PROMPTLY RETURNING YOUR COMPLETED BALLOT.

II. VOTING INSTRUCTIONS

After carefully reviewing the Plan, including all attachments thereto, and this Disclosure Statement and its exhibits, please indicate your vote on the enclosed ballot and return them in the

envelopes provided to the Clerk of the Bankruptcy Court. PLEASE VOTE EVERY BALLOT YOU RECEIVE. Completed ballots for holders of all Classes should be returned in the envelope provided herewith and MUST BE RECEIVED BY THE END OF BUSINESS ON _____, the ____ day of _____, 2016. If you have claims or interests in more than one class under the Plan, you will receive multiple ballots. IF A BALLOT IS DAMAGED OR LOST, OR IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, CALL 1-954-400-7474.

As a creditor of the Debtors, your vote on the Plan is most important. In order for the Plan to be accepted and thereafter confirmed by the Bankruptcy Court without resort to the "cram-down" provisions of the Code, votes representing at least two-thirds in amount and more than one-half in number of Claims allowed for voting purposes of each impaired class that are voted must be cast for the acceptance of the Plan.

III. HISTORY OF THE DEBTORS

The Debtors' financial problems arose due to several poor real estate investments and the collapse of the real estate market and construction industry. The Bisognos' acquired two (2) residential rental properties for rental income and to sell at a profit. They also participated in two (2) separate undeveloped land investments with other family members. All of their real estate investments were made at the top of the market and are now worth less than the debt incurred to acquire the investments. In fact, there are two substantial deficiency judgments against Mr. Bisogno arising from the family investment in land. The other investors have already discharged the deficiency judgments in bankruptcy.

The Bisognos owned and operated a “welding” business which lost revenues during the collapse of the construction industry. Mr. Bisogno’s business partner was killed in an automobile accident, leaving Mr. Bisogno as the only owner. Mr. Bisogno had to sustain the business with his personal funds and without any assistance from his deceased partner (fellow shareholder). Mr. Bisogno ultimately closed the old company, and commenced a new business which is more focused on construction management and does not require an investment in equipment. The new business is doing well, and the Bisogno’s are now in a position to restructure and settle their old debt by eliminating their old investments and focusing on the new business.

Ms. Bisogno is a nurse who is now employed by a plastic surgeon. She did not work for several years as her mother’s health began to decline, and she cared for her on a full time basis. Plastic surgery is a discretionary expense, and Ms. Bisogno’s compensation is linked to the number of days she is needed for procedures. At this time her business has been steady.

IV. DEFINITIONS

The definitions contained in the Plan have the same meaning when used in the Disclosure Statement.

V. FINANCIAL DATA

The Debtors’ Periodic Financial Reports are available for inspection and review at the Clerk of the Bankruptcy Court's office in Fort Lauderdale, Florida, or at the offices of the Debtors. These reports set forth all of the Debtors' income and expenses as of the Petition Date.

PROJECTION A revised bankruptcy schedule I and J is attached hereto as Exhibit A which includes a projections for the real property located at 18299 SW 66 Court Southwest Ranches, Fl. as follows:

Rental income	\$ 3,000.00
Mortgage	1,674.00
Taxes	600.00
Insurance	500.00
Maintenance	<u>100.00</u>
Net rental income	\$ 226.00

VI. SUMMARY OF CLAIMS

Administrative Expenses are estimated to be as follows:

Susan D. Lasky, P.A. \$6,000.00. Additional Fees may be due. All fees for professional compensation payable from Debtors' funds are subject to Court approval.

Priority Claims: Florida Department of Revenue \$6,666.57 Claim 4

Secured Claims -

The Bank of New York Mellon, Trustee (Claim 5 #8118) \$1,620,091.02 which arises from a note secured by a first mortgage on 18181 SW 52 Lane Southwest Ranches Fl .

Margaret O'Brien \$68,000.00 which arises from a note secured by a first mortgage on 13550 SW 26 St Davie Fl

Ocwen Loan Servicing Loan Servicing (# 4022) on behalf of HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6 which arises from a note secured by a mortgage on 18299 SW 66 Court Southwest Ranch Fl \$361,400.00 per Court Order (DE 47)

General Unsecured Claims.

GARRET

AMEX claim 3	\$ 16,943.71
Heartland Natl Bank (Claim 2)	\$ 145,938.83
Heartland Natl Bank (Claim3)	\$ 157,977.38
Florida DOR (Claim 4)	\$ 6,666.57
HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6	\$155,062.00 (Court Order DE 47)

Voidable transfers and/or Preferences None

Non-Bankruptcy Litigation. None

Tax Consequences Debtors' Reorganization. None.

VII. ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS

Administrative Expenses of the type specified in 11 U.S.C. §503, §506© and §507(a)(1) which are authorized and allowed by the Court will be paid in full at Confirmation or as otherwise agreed upon between the parties. Susan D. Lasky, PA will seek an award of compensation from the Court.

VII. PRIORITY CLAIMS

All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Specifically, the Debtors will pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), through the date of confirmation of the Plan, within fourteen (14) business days of the entry of an order confirming the Plan. Furthermore, the Debtors (as reorganized) will file with the Court post-confirmation Quarterly Operating Reports and pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. § 1930(a)(6), based upon all post-confirmation disbursements, until the earlier of the closing of this case by the issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case to another Chapter under the U.S. Bankruptcy Code.

There is priority tax claim for sales taxes from a closed business in the amount of \$6,666.57 (claim 4). With respect to its claims of a kind specified in section 507(a)(8), the Internal Revenue Service will receive regular monthly installment payments in cash commencing on the Effective Date over a period ending not later than five (5) years after the Petition Date.

VIII. CLASSIFICATION AND TREATMENT OF CLAIMS

CLASS 1 will consist of the claim of Margaret O'Brien which arises from a note secured by a first mortgage on 13550 SW 26 St Davie Fl in the approximate amount of \$68,000.00. The note and mortgage are current and will continue to be paid on the terms and conditions set forth therein.

CLASS 2 will consist of the secured claim of Ocwen Loan Servicing on behalf of HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6 which arises from a note secured by a first mortgage on 18299 SW 68th Court Southwest Ranch, Fl. The secured claim of Ocwen Loan Servicing on behalf of HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6 was allowed by Court order in the secured amount of \$361,400.00. Debtor will make monthly payments with interest calculated at the rate of 3.75% and amortization of thirty (30) years commencing on the Effective Date until paid in full. Taxes and interest will be paid direct. Upon payment of \$361,400.00 with interest calculated at 3.75%, the note and mortgage of Ocwen Loan Servicing on behalf of HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6 will be deemed satisfied and of no further force and effect. Until such secured claim is satisfied as set forth above, HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6 will retain its lien to the extent of the allowed secured claim in the amount of \$361,400.00.

CLASS 3 will consist of the claim of The Bank of New York Mellon, Trustee (Claim 5, #8118) in the amount of \$1,620, 091.02 which arises from a note secured by a first mortgage on 18181 SW 52 Lane Southwest Ranches Fl . The New York Bank of Mellon will retain its first mortgage lien. Debtor will negotiate with The Bank of New York Mellon directly and outside the plan with respect to the note and first mortgage. The Bank of New York Mellon will retain all liens.

CLASS 4 will consist of Allowed Unsecured Claims:

AMEX (Claim 3)	\$ 16,943.71
Heartland Natl Bank (Claim 2)	\$ 145,938.83
Heartland Natl Bank (Claim3)	\$ 157,977.38
Florida DOR Claim 4	\$ 6,666.57
HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6	\$155,062.00

Debtor will pay Class 4 creditors the sum of \$500.00 each month for sixty (60) months which sum will be disbursed to creditors on a pro rata basis in complete satisfaction of class 4 claims. Payments will commence on the first day of the month following the Effective Date.

CLASS 5 will consist of the individual Debtors who will not receive any distribution under the plan.

IX. SUMMARY OF THE PLAN AND MEANS FOR EXECUTION

A. SUMMARY OF THE PLAN

The Plan which accompanies this Disclosure Statement sets forth with particularity the manner in which all classes of creditors and interest holders will be paid or otherwise treated. Payment to all creditors will be made from the Debtors' disposable income.

Management and Compensation Not applicable, Individual case.

Ownership. Not Applicable, individual case.

Affiliates. GB Welding and Fabrication LLC; Metal Masters of South Fl. Inc.

X. IMPAIRMENT OF CLASSES

Impaired Classes. A class of claims is impaired under the Plan when the Plan alters the legal, equitable and contractual rights to which this claim is entitled.

A. Impaired Classes. Classes 2, 3 and 4 are impaired and will be entitled to vote separately to accept or reject the Plan.

B. Acceptance by Class of Creditors. A class of claims will have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of Allowed Claims of such Class that have accepted or rejected the Plan.

C. Cramdown. In the event that any impaired Class of creditors with claims against any of the Debtors' Estate will fail to accept the Plan in accordance with § 1129(a) of the Bankruptcy Code, the Debtors may request the Bankruptcy Court to confirm the Plan in accordance with § 1129(b) of the Bankruptcy Code.

XI. EFFECT OF CONFIRMATION

Effect of Confirmation Pursuant to 1141(d) upon confirmation of the Plan, the Debtors will be discharged of all claims and liabilities arising prior to the filing of the Petition, whether or not a proof of claim is filed, the claim is allowed or the holder of a claim has accepted the plan, if the Debtors do not liquidate. Confirmation of the Plan will satisfy all claims or causes of action arising out of any claim settled and satisfied under the terms of the Plan. Confirmation of the plan will vest title to all of its assets in the reorganized Debtors.

Reservation of Rights Under Sections 1141(d)(5) and 350(a). The Debtors reserve the right, after confirmation, to seek the closing of this bankruptcy proceeding prior to the entry of an Order of Discharge, upon the payment of the initial payment under the Plan, payment of all outstanding quarterly United States Trustees Fees, and the filing of any outstanding federal income tax returns. Such a request may be granted only upon notice and hearing, with notice to all creditors and interested parties. If such request is granted, then upon the satisfaction of all payments required to be paid inside the Plan to Class 4 creditors, the Debtors may file a motion to reopen this bankruptcy proceeding, pursuant to 11 U.S.C. § 350(b), and the Court may then

grant the Debtors a discharge, pursuant to 11 U.S.C. § 1141(d)(5). This paragraph only preserves the Debtors' right to seek the relief described above and does not conclusively grant such relief. Creditors' and interested parties' rights to object to such relief shall similarly be preserved until such time as it is requested by the Debtors after confirmation

XII. BEST INTEREST OF CREDITORS AND FEASIBILITY STANDARD

The Bankruptcy Code requires that the Plan be accepted by requisite votes of impaired classes of creditors, that the Plan be proposed in good faith, be feasible, and that confirmation of the Plan be in the best interest of all holders of claims and interests. To confirm the Plan, the Bankruptcy Court must find that all these requirements are met. Accordingly, even if the creditors of the Debtors accept the Plan by the requisite votes, the Bankruptcy Court must make independent findings respecting the Plan feasibility and whether the Plan is in the best interest of creditors before the Court may confirm the Plan. The "best interests" test requires that the Bankruptcy Court find that the Plan provides to each member of each impaired class of claims and interests a recovery which has a present value at least equal to the present value of the distribution which each such person would receive from the Debtors if the Debtors liquidated their assets under Chapter 7 of the Bankruptcy Code. The Debtors feels that the Plan as proposed is in the best interests of the creditors in that it provides for an efficient, effective and orderly satisfaction of the Debtors' objections to claims.

XIII. CONFIRMATION WITHOUT ACCEPTANCE BY ALL IMPAIRED CLASSES

As a condition to confirmation, the Bankruptcy Code requires that each impaired class of claims or interests accept the Plan. The Bankruptcy Code, however, contains provisions for confirmation of a Plan even if the Plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. These "cramdown" provisions for confirmation of the Plan, despite the non-acceptance of one or more impaired classes of claims or interests, are

set forth in 11 U.S.C. 1129(b) which requires the Bankruptcy Court to find that the Plan treatment of a nonaccepting impaired class is fair and equitable.

XIV. OBJECTIONS TO CLAIMS

14.1 Provisions for Treatment of Disputed Claims.

Debtors disputed the claim of Suntrust in the amount of \$455,000 for a corporate obligation which may have been guaranteed. This claim was stricken by court order. No claim was filed by the bar date of February 22, 2016. Accordingly any unsecured claim of West Fund LLC against the Debtors is stricken and forever barred.

14.2 Provision for Rejection Claims. In the event the rejection of a contract gives rise to a Rejection Claim not otherwise provided for herein, the holder of such claim must file such claim within thirty (30) days following the rejection of said contract or the Confirmation Hearing whichever occurs first. Such claim must, in addition to its filing with the Bankruptcy Court, be served upon the undersigned attorneys for the Debtors.

XV. EXECUTORY CONTRACTS

Executory Contracts and Unexpired Leases. Any executory contract or unexpired lease not specifically assumed will be deemed rejected.

XVI. LIQUIDATION ANALYSIS & ALTERNATIVES TO CONFIRMATION, INCLUDING RISK

In the event that the accompanying Plan, as such may be further modified or amended, is not accepted by the holders of Allowed Claims and Allowed Interests in the impaired classes or otherwise confirmed by the Court under the cramdown provisions of Section 1129(b) of the Bankruptcy Code, the Debtors believes that the Debtors case would be dismissed or converted to a case under Chapter 7, a Trustee would be appointed and the pre petition assets liquidated for distribution to creditors. Without a continuing operation, there is no revenue from which to pay claims. Accordingly, creditors would probably not realize payment on their claims in a liquidation.

XVII. LIQUIDATION ANALYSIS

Only HSBC Bank USA, NA as Trustee for Sequoia Mortgage Trust 2004-6 in the amount of \$155,062.00 has a claim against the joint debtors. However, neither of the Debtor's have assets with any significant value. If a plan is not confirmed the Debtors are potentially liable for large deficiency claims which will reduce any recovery to the unsecured creditors. The Debtors are proposing to pay general unsecured creditors six percent (6%) of their allowed claims over sixty months from disposable income. Disposable income is not available to the creditors in a chapter 7 case.

XVII. CONCLUSION AND RECOMMENDATIONS

The Debtors propose their Plan and recommends its confirmation. All creditors will receive payment of their claims to the greatest extent allowable under the Bankruptcy Code, and the expense of administering an estate under Chapter 7 will be avoided. The Debtors affirm their belief that administration of this estate as provided herein will ultimately maximize payments to each creditor.

s/Garrett Bisogno
Garrett Bisogno

s/Kimberly Bisogno
Kimberly Bisogno

I HEREBY CERTIFY that I am admitted to the Bar of the United States District Court for the Southern District of Florida and I am in compliance with the additional qualifications to practice in this court set forth in Local Rule 2090-1(A).

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