

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

IN RE:

CASE NO.: 15-29563-RBR

DARIA KARLL,

In proceedings under Chapter 11

Debtor

FIRST DISCLOSURE STATEMENT

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

I. INTRODUCTION

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

NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS TO HER FUTURE BUSINESS OPERATIONS OR THE VALUE OF HER ASSETS) ARE AUTHORIZED BY THE DEBTOR 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 DEBTOR BELIEVES THAT THIS DISCLOSURE STATEMENT COMPLIES WITH THE REQUIREMENTS OF THE BANKRUPTCY CODE, AND REQUESTS 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 Debtor, 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 DEBTOR

Ms Karll is an event coordinator and is employed by Bam Bam Entertainment. Her husband is self employed.

Ms. Karll filed this case to resolve all liabilities related to her condominium which is her homestead. She had an ongoing dispute with her condominium association, and her first mortgagee. She has also resolved her unpaid income tax liability.

Her income has been stable since the filing of this case.

IV. DEFINITIONS

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

V. FINANCIAL DATA

The Debtor's 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 Debtor. These reports set forth all of the Debtor's income and expenses as of the Petition Date.

VI. SUMMARY OF CLAIMS

Administrative Expenses are estimated to be as follows:

Susan D. Lasky, P.A \$10,000.00. Additional Fees may be due. All fees for professional compensation payable from Debtor's funds are subject to Court approval.

Priority Claim of Internal Revenue Service:

Claim 2 IRS	\$	593.09
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Secured Claims

Claim 4 HSBC	\$	406,896.71
Claim 5 Southpoint Condo Association	\$	53,610.28 (per court order)

General Unsecured Claims.

BB& T	Claim 1	\$	310.92
Internal Revenue Service	Claim 2	\$	41,392.11
Advanced Restaurant Finance	Claim 3	\$	103,218.75

Voidable transfers and/or Preferences None
 Non-Bankruptcy Litigation. None
 Tax Consequences Debtor's Reorganization. None.
 Affiliates: **None**

VII. ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS

Administrative Expenses of the type specified in 11 U.S.C. §503, §506 (c)d §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.

Priority Tax Claims. Internal Revenue Service income tax: \$593.09 (Claim 2). With respect to its claims of a kind specified in section 507(a)(8), the Internal Revenue Service will be paid on the Effective Date.

VIII. CLASSIFICATION AND TREATMENT OF CLAIMS

CLASS 1 will consist of Claim 4 the Allowed Secured Claim of HSBC Bank USA, National Association as Trustee for Ellington Loan Acquisition Trust 2007-1, Mortgage Pass - Through Certificates Series 2007-1 in the amount of \$ 406,896.71 which is secured by the Debtor's homestead located at 3400 Galt Ocean Dr Apt 210, Fort Lauderdale, Fl 33308. The Debtor is seeking a modification of the terms of this Note and Mortgage through the bankruptcy court's MMM program.

Until the MMM is completed and the Final Report of Loss Mitigation Mediator is filed, any objecting to the Lender's Proof of Claim on the real property described above shall be held in abeyance as to the regular payment and mortgage arrearage stated in the Proof of Claim only. The Debtor shall assert any and all other objection to the Proof of Claim prior to Confirmation of the plan or modified plan.

If the Debtor, co-obligor/co-borrower or other third party (if applicable) and the Lender

agree to a settlement as a result of the pending MMM, the Debtor will file a Motion to Approve the Agreement with Lender no later than 14 calendar days following the settlement. Once the settlement is approved by the Court, the Debtor shall immediately amend or modify the plan to reflect the settlement and the Lender shall amend its Proof of Claim to reflect the settlement, as applicable. If a settlement is reached after the plan is confirmed, the Debtor will file a motion to modify the plan no later than 30 calendar days following approval of the settlement by the Court and the Lender shall have leave to amend its Proof of Claim to reflect the settlement reached after confirmation of the plan. The parties will then timely comply with any and all requirements necessary to complete the settlement. In the event the Debtor receives any financial benefit from the Lender as part of any agreement, the Debtor shall immediately disclose the financial benefit to the Court and the Trustee and amend or modify the Plan accordingly.

If the Lender and the Debtor fail to reach a settlement, then no later than 14 calendar days after the Mediator’s Final Report is filed, the Debtor will amend or modify the plan to provide alternative treatment of the Lender’s claim.

CLASS 2 will consist of Claim 5 (POC 5) which is the Allowed Secured Claim of Southpoint Condominium Association in the amount of \$53,610.28 (without attorney fees). The regular assessment is \$2,340.18 quarterly (\$780.06 monthly) . The special assessment is 255.26 quarterly (\$85.08 monthly). Debtor will continue to pay the regular and special assessment quarterly and cure the arrearage in sixty (60) equal payments of \$893.50 monthly.

CLASS 3 will consist of Allowed Unsecured Claims as follows:

BB& T	Claim 1	\$ 310.92
Internal Revenue Service	Claim 2	\$ 41,392.11
Advanced Restaurant Finance	Claim 3	\$ 103,218.75

Ms. Karl will pay unsecured creditors the amount of \$ on the Effective Date to be distributed to each claimant on a pro rata basis on the Effective Date.

CLASS 3 will consist of the individual Debtor 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 Debtor's wages.

Management and Compensation Not applicable, Individual case.

Ownership. Not Applicable, individual case.

Affiliates. None.

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. All classes 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 Debtor's Estate will fail to accept the Plan in accordance with §1129(a) of the Bankruptcy Code, the Debtor 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 Debtor 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 Debtor does 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 Debtor.

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 class of general unsecured 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 Debtor 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 Debtor if the Debtor liquidated her assets under Chapter 7 of the Bankruptcy Code. The Debtor 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 Debtor's 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. None at this time.

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 Debtor.

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 Debtor believes that the Debtor case would be dismissed or converted to a case under Chapter 7, a Trustee would be appointed and her 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.

LIQUIDATION ANALYSIS

	ASSETS	
		Joint
Bank Accounts	\$ 1,336.00	
Furniture and accounts owned joint with Spouse		\$ 2,570.00
Debtor’s separate property		

Debtor’s property is encumbered by the Tax Liens filed by the Internal Revenue Service. Accordingly, if a plan is not confirmed, unsecured creditors would receive no distribution after payment of the Internal Revenue Service and chapter 7 trustee fees. Debtor is proposing to pay general unsecured creditors approximately five percent (5%) on the Effective Date.

PROJECTIONS

Debtor is devoting her entire disposable income to the payment of the nondischargeable claims of the Internal Revenue Service. Any corporate distributions in excess of her wages will be applied to pay income taxes as provided herein.

XVII. CONCLUSION AND RECOMMENDATIONS

The Debtor proposes her 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 Debtor affirms her belief that administration of this estate as provided herein will ultimately maximize payments to

each creditor.

s/Daria Karll
Debtor

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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