

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Fort Lauderdale Division

In re:

Case No.: 16-12189-JKO
Chapter 11

THE WOMEN'S WELLNESS CENTER OF
SOUTH FLORIDA, LLC, a Florida limited
liability company,

Debtor,

**THE WOMEN'S WELLNESS CENTER OF SOUTH FLORIDA, LLC'S
DISCLOSURE STATEMENT**

Dated: November 14, 2016

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TABLE OF CONTENTS

Table of Contents i

Introduction..... 1

 Purpose of This Document..... 1

 Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing..... 1

 Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan 1

 Deadline for Voting to Accept or Reject the Plan 2

 Deadline for Objecting to the Adequacy of the Disclosure Statement and Confirmation of the Plan..... 2

 Identity of Person to Contact for More Information..... 2

 Disclaimer 2

Background..... 2

 Description and History of the Debtor’s Business..... 2

 Insiders of the Debtor..... 3

 Management of the Debtor Before and During the Bankruptcy..... 3

 Events Leading to Chapter 11 Filing 3

 Significant Events During the Bankruptcy Case 4

 Projected Recovery of avoidable Transfers 5

 Claims Objections..... 5

 Current and Historical Financial Conditions 5

Summary of The Plan of Reorganization and Treatment of Claims and Equity Interests..... 5

 What is the Purpose of the Plan of Reorganization?..... 5

 Unclassified Claims 6

 Administrative Expenses 6

 Priority Tax Claims..... 7

Classes of Claims and Equity Interests 7

 Classes of Secured Claims 7

 Classes of Priority Unsecured Claims..... 7

 Classes of General Unsecured Claims 8

 Classes of Equity Interest Holders 8

Means of Implementing the Plan 9

 Source of Payments..... 9

 Post-Confirmation Management..... 9

Risk Factors 9

 Failure to Confirm the Plan.....9

 Non-Occurrence of the Effective Date9

Executory Contracts and Unexpired Leases 10

Tax Consequences of the Plan 10

Confirmation Requirements and Procedures10

 Who May Vote or Object..... 11

 What Is an Allowed Claim or an Allowed Equity Interest?11

 What Is an Impaired Claim or Impaired Equity Interest?.....11

 Who Is **Not** Entitled to Vote?12

 Who Can Vote in More than One Class?.....12

Votes Necessary to Confirm the Plan 12

 Votes Necessary for a Class to Accept the Plan12

 Treatment of Nonaccepting Classes.....12

Liquidation Analysis..... 13

Feasibility..... 13

 Ability to Initially Fund Plan The Plan.....13

 Ability to Make Future Plan Payments And Operate Without Further Reorganization13

Effect of Confirmation14

 Discharge of Debtor 14

 Modification of Plan 14

 Final Decree 14

Other Plan Provisions14

 Modification and Revocation..... 14

 Authority to Execute Documents..... 14

 Substantial Consummation of the Plan 15

 Severability 15

 Notices 15

 Governing Law 15

 Computing Time 15

 Admissions..... 15

 Post-Petition Interest..... 15

 Retention of Jurisdiction by the Bankruptcy Court 16

INTRODUCTION

This is the disclosure statement (“Disclosure Statement”) in the small business chapter 11 case of The Women’s Wellness Center of South Florida, LLC (“Debtor”). This Disclosure Statement contains information about the Debtor and describes the Chapter 11 Plan of Reorganization Proposed by the Debtor (“Plan”), filed by the Debtor on November 14, 2016. A full copy of the Plan is attached to this Disclosure Statement as Exhibit “A.” ***Your rights may be affected. You should read the Plan and Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

The proposed distributions under the Plan are discussed at pages 6 through 8 of the Disclosure Statement.

PURPOSE OF THIS DOCUMENT

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case;
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the Plan is confirmed);
- Who can vote on or object to the Plan;
- What factors the Bankruptcy Court (“Court”) will consider when deciding whether to confirm the Plan;
- Why the Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation; and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights

DEADLINES FOR VOTING AND OBJECTING; DATE OF PLAN CONFIRMATION HEARING

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and Confirm the Plan will take place on _____, at _____, in Courtroom 301, at the United States Courthouse, 299 East Broward Boulevard, Fort Lauderdale, Florida 33301.

Deadline for Voting to Accept or Reject the Plan

If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and return the ballot to: Clerk of Bankruptcy Court, United States Courthouse, 299 East Broward Boulevard, Room 112, Fort Lauderdale, Florida 33301, with a copy to: Gian Ratnapala, Esq., GCR Business Law, PLLC, 500 East Broward Boulevard, Suite 1710, Fort Lauderdale, Florida 33394.

Your ballot must be received by _____, or it will not be counted.

Deadline for Objecting to the Adequacy of the Disclosure Statement and Confirmation of the Plan

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon the Debtor's counsel by _____.

Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact Gian Ratnapala, Esq., GCR Business Law, PLLC, 500 East Broward Boulevard, Suite 1710, Fort Lauderdale, Florida 33384; Telephone: (954) 848-2830; Facsimile: (954) 848-2870; email: gian@gcrbl.com.

DISCLAIMER

The Court has not yet approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court may conditionally approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court's conditional approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan. Objections to the adequacy of this Disclosure Statement may be filed until _____.

BACKGROUND

DESCRIPTION AND HISTORY OF THE DEBTOR'S BUSINESS

The Debtor is a Florida limited liability company. Since 2003, the Debtor has operated an OB/GYN clinic in Broward County, Florida. The Debtor is located at 3850 Coconut Creek Parkway, Suite One, Coconut Creek, Florida 33066, since February 2015. Prior to February 2015, the Debtor conducted its operations from 5901 Colonial Drive, Suite 302, Margate, Florida, 33063. Dr. Tara Solomon is the only physician conducting the Debtor's business. In addition, the Debtor employs three full time and one part time support staff.

The Debtor's principal, Dr. Tara Solomon, is a solo practitioner, who is board certified by the American Board of Obstetrics and Gynecology, and is a fellow of the American College of

Obstetrics and Gynecology and Florida Medical Society. Dr. Solomon is also a member of the North American Menopause Society (certified speaker), Broward County Medical Society, and American Cancer Society – South Florida Breast Cancer Coalition. She has been practicing medicine since 1997. Dr. Solomon was previously affiliated with Northwest Medical Center. However, due to a physical injury, Dr. Solomon no longer practices Obstetrics, and is no longer affiliated with Northwest Medical Center.

INSIDERS OF THE DEBTOR

The Debtor is a single member limited liability company whose sole member is Dr. Tara Solomon. In 2014, Dr. Solomon was compensated \$156,000.00 and in 2015, Dr. Solomon was compensated \$105,500.00. As of June 30, 2016, Dr. Solomon received \$71,360.64 in compensation.

MANAGEMENT OF THE DEBTOR BEFORE AND DURING THE BANKRUPTCY

During the two years prior to the date on which the bankruptcy petition was filed, Dr. Tara Solomon was the sole member of the Debtor. Dr. Solomon remains to be the Debtor's sole member during this chapter 11 case.

After the effective date of the order confirming the Plan, Dr. Solomon will remain to be the sole member of the Debtor. The responsibilities and compensation of Dr. Solomon are described in Post-Confirmation Management section of this Disclosure statement.

EVENTS LEADING TO CHAPTER 11 FILING

On August 25, 2009, the Debtor entered into a lease agreement with Montecito Medical – NW Medical Arts, LLC (“Montecito”) to lease the premises located at 5901 Colonial Drive, Suite 302, Margate, Florida 33063. Beginning 2012, the Debtor complained Montecito's management regarding a musty smell coming from the air conditioning vents and the humidity in the office. The Debtor's staff and patients were having difficult time breathing and some showed signs of illness. However, Montecito failed to maintain the air quality or properly inspect and maintain the air conditioning units. Due to Montecito's inaction, the Debtor withheld rent payments owed on November 1, 2014. On December 30, 2014, Montecito commenced an action for damages for unpaid rent (CACE-14-024448).

The Debtor employed Green Mountain Air to conduct an inspection of the air conditioning units, which found that the condensers were working only at 30% capacity. In January 2015, the Debtor employed Florida Mold Inspection, Inc., which found three types of mold growing on the walls, one of which (aspergillus) is very toxic. The Debtor gave Montecito two weeks' notice to vacate premises due to toxic mold. Additionally, the Debtor paid all rents due including rent for January 2015.

On February 19, 2015, Montecito amended its complaint to state a cause of action for breach of lease, both monetary default for accelerated rent due through the end of lease term, and

non-monetary default for Dr. Solomon's failure maintain staff status at Northwest Medical Center due to her physical injury.

After over a year of litigation with Montecito the Debtor was faced with high litigation costs by December 2015. Additionally, moving the Debtor's practice disrupted the Debtor's operations and caused decreased income. Furthermore, due to a recent restructuring of the insurance billing codes, the Debtor's income from medical insurance providers were delayed, which created another cash flow crisis for the Debtor.

The Debtor was forced to lay off several employees and maintain minimal staff to continue conducting operations, and discontinue certain benefits to current employees. However, the Debtor is committed to continuing its operations and to reorganize its debts so it can continue to provide medical services to its patients, pay its debts, and provide its employees. In light of the foregoing events, the Debtor determined that it will be in the best interest of its creditors, employees, and the management to reorganize under chapter 11 of the Code.

SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE

The Debtor commenced this chapter 11 case on February 17, 2016. Since the commencement of this case, the Debtor has operated its regular operations as a Debtor-in-Possession. No trustee, examiner, or official creditors committee has been appointed in this case.

After the commencement of this case, the Debtor continued its retention of GCR Business Law, PLLC, as its bankruptcy counsel pending Court approval. On March 28, 2016, the Court entered the final order approving the Debtor's application to employ Gian Ratnapala, Esq., and the law firm of GCR Business Law, PLLC, as the Debtor's counsel [DE 50].

Additionally, the Debtor intended to continue its employment of B. Alan Dubrow, CPA, as its accountant during the pendency of this bankruptcy case. On March 25, 2016, the Court entered a final order approving the Debtor's application to employ B. Al Dubrow, CPA, and Dubrow Duker & Associates, P.A. as the Debtor's accountant [DE 45].

The Debtor also moved the Court to authorize the use of pre-petition bank accounts, authorize payment of pre-petition wages, continue utilities, waive the requirement to appoint a patient care ombudsman, and to waive the requirement to carry medical malpractice insurance. The Court granted the Debtor's motion to continue utility services [DE 30], authorized the payment of pre-petition wages [DE 31], authorized the limited use of pre-petition bank accounts [DE 46], waived the requirement to appoint a patient care ombudsman [DE 47], and waived the requirement to carry medical malpractice insurance [DE 48].

Only six creditors have filed claims in this case. The Internal Revenue Service filed a claim against the Debtor for unpaid pre-petition tax liability [Claim 1-1] which was later amended to show \$0.00 liability for pre-petition taxes [DE 1-2]. Toyota Lease Trust filed a secured claim for the remaining lease term of the Debtor's vehicle [Claim 2-1]. American Express Bank, FSB, filed a claim against the Debtor for pre-petition credit charges [Claim 3-1]. GreatAmerica Financial Services Corporation filed a claim for the Debtor's leased imaging

equipment [Claim 4-1]. Montecito Medical – NW Medical Arts, LLC, filed a claim for \$614,664.94 for breach of lease damages [Claim 5-1]. The Debtor’s objection to Montecito’s claim is pending before the Court. Finally, Florida Power & Light filed a claim for utility charges [Claim 6-1].

The Debtor continues its operations during the pendency of this bankruptcy case. The Debtor believes that the restructuring proposed in the Plan will enable the Debtor to operate at an optimal level, benefiting the creditors as well as its patients, employees, and equity security holders.

PROJECTED RECOVERY OF AVOIDABLE TRANSFERS

After a diligent review, the Debtor has not identified any avoidable transfers and does not believe any exists. The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

CLAIMS OBJECTIONS

Except to the extent a claim is allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be eligible to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

CURRENT AND HISTORICAL FINANCIAL CONDITIONS

The identity and fair market value of the estate’s assets are listed in Exhibit “B.”

The Debtor’s most recent financial statements issued before the bankruptcy, each of which was filed with the Court are set forth in Exhibit “C.”

The Debtor’s most recent post-petition operating report filed since the commencement of the Debtor’s bankruptcy case is set forth in Exhibit “D.”

SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

WHAT IS THE PURPOSE OF THE PLAN OF REORGANIZATION?

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided in the Plan.

UNCLASSIFIED CLAIMS

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$448,000.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later.
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0.00	Paid in full on the effective date of the Plan, or according to the terms of obligation if later.
Professional Fees, as approved by the Court	\$35,000.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to Court order if such fees have not been approved by the Court on the effective date of the Plan.
Clerk's Office Fees	\$1,717.00	Paid in full on the effective date of the Plan.
Other administrative expenses	\$0.00	Paid in full on the effective date of the Plan or according to separate written agreement.
Office of the U.S. Trustee Fees	\$2,600.00	Paid in full on the effective date of the Plan.
Total	\$487,317.00	

Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The Debtor has paid all pre-petition taxes and no entity has filed a priority tax claim against the Debtor. The Debtor estimates its liability for priority tax claims will be \$0.00.

CLASSES OF CLAIMS AND EQUITY INTERESTS

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

Classes of Secured Claims

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class	Description	Insider?	Impairment	Treatment
1.	<i>Secured Claim of Toyota Lease Trust</i> Collateral description: 2014 Lexus GS 350 VIN JTHBE1BL7E5035411 Allowed Secured Amount: \$2,088.00 Priority of lien: First Principal owed: \$2,088.00 Pre-pet. arrearage: \$0.00 Total claim: \$2,088.00	No	Impaired	Surrender collateral.

Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim

receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The Debtor has no priority unsecured claims and the Debtor estimates its liability for priority unsecured claims to be \$0.00.

Classes of General Unsecured Claims

General unsecured claims are not secure by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan's proposed treatment of Classes 2 through 5, which contain general unsecured claims against the Debtor.

Class	Description	Impairment	Treatment
2	Unsecured Claim of GreatAmerica Financial Services Corporation [Claim 4-1] (\$13,766.05)	Impaired	Pay fair market value of Cannon 400IF copy machine plus sales tax in full satisfaction of claim in 12 monthly installments of \$215.00. Estimated percent of claim paid: 19%
3	Unsecured Claims of American Express Bank, FSB [Claim 3-1] (\$1,455.82), FP&L [Claim 6-1] (\$384.71), and scheduled claim of Xerox Corporation (\$281.00)	Impaired	Paid in 12 monthly installments of \$176.00
4	Unsecured Claim of Montecito Medical – NW Medical Arts, LLC [Claim 5-1] (\$45,565.04)	Impaired	Payment of 12 monthly installments of \$1,237.00 in full satisfaction of claim. Estimated percent of claim paid: 32%
5	All other Scheduled General Unsecured Claims with no proofs of claim and listed as claim amount unknown.	Impaired	No distributions under the Plan because the values of claims are unknown and no proofs of claims have been filed prior to claims bar date.

Classes of Equity Interest Holders

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company ("LLC"), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

The following chart sets forth the Plan's proposed treatment of the class of equity interest holders:

Class	Description	Impairment	Treatment
6	Equity Interests of the Debtor	Impaired	No distributions under the Plan.

MEANS OF IMPLEMENTING THE PLAN

Source of Payments

Payments and distributions under the Plan will be funded by income from operating the Debtor's business. In addition, the Debtor's principal will make additional capital contribution to the Debtor to fund the Plan payments.

Post-Confirmation Management

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations	Insider?	Position	Compensation
Dr. Tara Solomon	Medical Doctor	Yes	Managing Member Medical Director	\$100,000.00

RISK FACTORS

The proposed Plan has the following risks:

Failure to Confirm the Plan

Although the Debtor believes that it could meet all of the requirements necessary for confirmation by the Court, there can be no assurance that the Court will reach the same conclusion. There can be no assurances that a modification to the plan would not necessitate resolicitation of votes to accept the Plan as modified.

If the Plan is not confirmed the alternative would be a dismissal, an alternative chapter 11 plan, or conversion to chapter 7. As fully elaborated in the Liquidation Analysis attached here to as Exhibit "E," a liquidation under chapter 7 would result in general unsecured creditors receiving no dividends after issuance of payment to the secured creditors and other priority creditors under section 726 of the Code. A dismissal of this bankruptcy case would result in further state court litigation which would deplete the Debtor's assets and would result in no benefit to the creditors of the estate. Moreover, if the Plan is not confirmed, it may give other parties in interest an opportunity to propose alternative Plans. The Debtor believes that the Plan as proposed provides the creditors the best value, and any alternative plan would be much less favorable to the creditors, even if preferable to a chapter 7 liquidation.

Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to such timing.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

The Plan, in Article VI, lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Article VI of the Plan will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

The deadline for filing a proof of claim based on a claim arising from the rejection of a lease or contract is 60 days after the date of the order confirming the Plan. Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

TAX CONSEQUENCES OF THE PLAN

Creditors and equity interest holders concerned with how the Plan may affect their tax liability should consult with their own accountants, attorneys, and/or advisers.

The tax consequences of the Plan to a specific creditor will depend on a number of factors. It is possible that certain creditors may be entitled to a deduction for a loss with respect to a claim and the timing of any distribution under the Plan. It is also possible that a creditor has already taken a deduction for a loss due to non-payment of a claim prior to the commencement of this bankruptcy case. Additionally, it is possible that some creditors may be required to recognize a gain or income due to the disbursements under the Plan. Moreover, certain creditors may be subject to state and local taxation based on distributions under the Plan.

The tax consequences to each individual Creditor are complex. The Debtor has not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. The Debtor does not make any assurances or guarantees regarding tax implications of the Plan to each individual creditor.

CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the code. These include the requirements that: the Plan must be proposed in good faith; at least one

impaired class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1192, and they are not the only requirements for confirmation.

WHO MAY VOTE OR OBJECT

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes 2, 3, and 4, are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. Classes 5 and 6 are impaired, but do not receive or retain any property under the Plan. Thus, pursuant to § 1126(g) of the Code, classes 5 and y are deemed to have rejected the Plan. The Plan Proponent believes that class 1 is unimpaired and that holder of the claim in this class, therefore, do not have the right to vote to accept or reject the Plan.

What Is an Allowed Claim or an Allowed Equity Interest?

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Federal Rule of Bankruptcy Procedure 3018(a).

The deadline for filing a proof of claim in this case was June 15, 2016.

What Is an Impaired Claim or Impaired Equity Interest?

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

Who Is **Not** Entitled to Vote?

The holders of the following five types of claims and equity interests are not entitled to vote:

- Holders of claims and equity interests that have been disallowed by an order of the Court;
- Holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes;
- Holders of claims or equity interests in unimpaired classes;
- Holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code;
- Holders of claims or equity interests in classes that do not receive or retain any value under the Plan; and
- Administrative expenses.

Even if you are not entitled to vote on the Plan, you have a right to object to the confirmation of the Plan and to the adequacy of the Disclosure Statement.

Who Can Vote in More than One Class?

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject the Plan in each capacity, and should cast one ballot for each claim.

VOTES NECESSARY TO CONFIRM THE PLAN

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later.

Votes Necessary for a Class to Accept the Plan

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

Treatment of Nonaccepting Classes

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the

Code. A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not “discriminate unfairly,” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a “cram down” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

LIQUIDATION ANALYSIS

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit “E.”

FEASIBILITY

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

Ability to Initially Fund Plan The Plan

The Debtor believes that it will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit “F.”

Ability to Make Future Plan Payments And Operate Without Further Reorganization

The Debtor must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Debtor has provided projected financial information. Those projections are listed in Exhibit “G.”

The Debtor’s financial projections show that it will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, of \$36,000.00. The final Plan payment is expected to be paid twelve months after the Effective Date.

The Debtor’s cash flow projections are based on volume of business and seasonal fluctuations of business. Additionally, the Debtor’s income, which is largely based on insurance payments for medical treatment, is affected by the insurance industry practices and regulations under the Affordable Care Act. However, the Debtor believes that it will generate sufficient cash flow to fund the proposed Plan payments.

You should consult with your accountant or other financial adviser if you have any questions pertaining to these projections.

EFFECT OF CONFIRMATION

DISCHARGE OF DEBTOR

On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Federal Rule of Bankruptcy Procedure 4007(c), or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

MODIFICATION OF PLAN

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation only if: (1) the Plan has not been substantially consummated; and (2) the Court authorizes the proposed modifications after notice and a hearing

FINAL DECREE

Once the estate has been fully administered, as provided in Federal Rule of Bankruptcy Procedure 3022, the Plan Proponent, or such other party as the Court shall designate in the order confirming the Plan, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

OTHER PLAN PROVISIONS

MODIFICATION AND REVOCATION

The Debtor reserves the right to modify the Plan in accordance with section 1127 of the Code, if for any reason the Plan cannot be consummated after the Confirmation. The Debtor reserves the right to revoke and withdraw the Plan any time prior to the Confirmation.

AUTHORITY TO EXECUTE DOCUMENTS

The Debtor shall be authorized to execute, deliver, file, and/or record such documents, contracts, releases, and other agreements as necessary to effectuate the terms of the Plan.

SUBSTANTIAL CONSUMMATION OF THE PLAN

The Debtor believes that the Plan will be substantially consumed within twelve (12) months after the Effective Date.

SEVERABILITY

If any provision of the Plan is determined to be unenforceable, the determination will not in any way limit the enforceability and the operative effect of any other provision of the Plan.

NOTICES

Any notice to the Debtor shall be in writing, and be deemed delivered upon actual receipt by the Debtor's counsel and shall be sent via Certified U.S. mail to:

Gian Ratnapala, Esq.,
GCR Business Law, PLLC
500 East Broward Boulevard, Suite 1710
Fort Lauderdale, Florida 33394
Facsimile: (954) 848-2870
Email: gian@gcrbl.com

GOVERNING LAW

To the extent state law applies to the Plan to govern the rights, duties, and obligations arising under the Plan, such rights duties and obligations shall be governed, construed, and enforced in accordance with the laws of the State of Florida.

COMPUTING TIME

Federal Rule of Bankruptcy Procedure 9006 shall govern the computation of any time or extension of time under the Plan.

ADMISSIONS

Nothing contained in this Disclosure Statement shall be deemed an admission of the Debtor or be used as evidence against the Debtor or its successors, assignees, or agents.

POST-PETITION INTEREST

Unless expressly provided in the Plan, the Confirmation Order, or any contract, instrument, release, settlement, or other agreement entered into in connection with the Plan or required by applicable law, post-petition interest shall not accrue on or after the Petition Date on the account of any Claim.

RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT

The Bankruptcy Court shall retain jurisdiction over these proceedings after the Confirmation Date of this Plan until the entry of the final decree pursuant to Federal Rule of Bankruptcy Procedure 3022 for the following purposes:

1. To enable the Debtor to consummate the Plan and any amended or modified Plan and to resolve any disputes arising with respect thereto;
2. To enable the Debtor to consummate any and all proceedings that it may bring prior to the entry of the Confirmation Order;
3. To determine all controversies relating to or concerning the classification, subordination, allowance, valuation, or satisfaction of Claims;
4. To liquidate or estimate for purposes of allowance all contested, contingent, or unliquidated Claims;
5. To determine the validity, extent, and priority of all liens, if any, against the property of the estate;
6. To determine all assertions or an ownership interest in, the value of, or title to, any property of the estate;
7. To determine all applications for compensation and reimbursement and objections to Administrative Expense Claims;
8. To determine all (1) adversary proceedings, contested or litigation matters brought before the Bankruptcy Court; and, (2) any and all claims or causes of action asserted by the Debtor;
9. Without limiting the generality of the preceding paragraph, to determine any avoidance action brought by the Debtor;
10. To determine all controversies arising out of any purchase, sale, or contract made or undertaken by the Debtor prior to the Confirmation Date;
11. To enforce all agreements assumed, if any, and to recover all property of the estate, wherever located;
12. To determine any tax liability of the estate in connection with the Plan, actions taken, distributions, or transfers made thereunder;
13. To enforce any and all releases and injunctions created pursuant to the terms of the Plan;
14. To modify the Plan or to remedy any defect or omission or reconcile any inconsistencies in the Plan either before or after the entry of the Confirmation Order;
15. To hear and determine all controversies, suits, and disputes that may arise in connection with the interpretation or enforcement of the Plan;
16. To make such orders as are necessary or appropriate to carry out the provisions of the Plan; and
17. To enter a Final Decree pursuant to Bankruptcy Rule 3022.