UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

In re: FISHERMAN'S PIER, INC. Tax ID # 59-1001776	Case No.: 17-22819-RBR Chapter 11

Debtor
_____/

DISCLOSURE STATEMENT OF
50% EQUITY INTEREST HOLDER, J.J. RISSELL, ALLENTOWN PA, TRUST, DATED JANUARY 11, 2018; ELIAS MARCHELOS, MARTHA MARCHELOS AND THE JEFFREY J. RISSELL, ALLENTOWN, PA, TRUST, DATED JANUARY 10, 2018

DISCLOSURE STATEMENT
(WITH REQUIRED ADEQUATE INFORMATION PURSUANT TO 11 U.S.C. § 1125(f))

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT FOR THE SOLICITATION OF ACCEPTANCES OF THE PLAN AND SHOULD NOT BE CONSTRUED AS CONSTITUTING A SOLICITATION OF ACCEPTANCES OF THE PLAN UNTIL SUCH TIME AS IT HAS BEEN SO APPROVED AND DISTRIBUTED TO ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE PLAN PROPONENTS AND THE PROPERTY OF THE ESTATE. ANY SUCH APPROVAL WILL NOT CONSTITUTE A DETERMINATION OF THE FAIRNESS OR MERITS OF THE PLAN. RATHER, SUCH APPROVAL WILL MEAN THAT THE BANKRUPTCY COURT HAS FOUND THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION TO PERMIT THE HOLDERS OF CLAIMS AGAINST THE PLAN PROPONENTS TO MAKE A REASONABLY INFORMED DECISION IN EXERCISING THEIR RIGHT TO VOTE UPON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ITS ACCEPTANCE.

I. INTRODUCTION AND GENERAL INFORMATION

The Debtor filed a Voluntary Petition under Chapter 11 of the Bankruptcy Code on October 23, 2017. The Plan Proponents file this Disclosure Statement in conjunction with their Plan of Reorganization ("Plan"), pursuant to 11 U.S.C. § 1125(f).

The purpose of this Disclosure Statement is to provide creditors and interest holders with adequate information about Fisherman's Pier, Inc. (the "DEBTOR") and the Plan to enable such creditors and interest holders to make an informed judgment regarding the acceptance or rejection of, or objection to, the Plan. This Disclosure Statement discusses, among other things, voting instructions, recovery information, classification of Claims and Interests, the DEBTOR's history, businesses, properties, results of operations and a summary and analysis of the Plan.

Pursuant to the Bankruptcy Code, holders of Claims listed in Classes 2, 4, 5, and 6 of the Plan of Reorganization are entitled to vote on the Plan. Except as described below, the Plan may be confirmed only if accepted by each Voting Class. Any Voting Class that fails to accept the Plan will be deemed to have rejected the Plan. § 1129(b) of the Bankruptcy Code permits confirmation of the Plan notwithstanding rejection by one or more Classes if the Court finds that the Plan does not discriminate unfairly and is "fair and equitable" with respect to the rejecting Class or Classes ("Cramdown"). SUBJECT TO THE TERMS OF THE PLAN, THE PLAN PROPONENTS INTEND TO SEEK TO HAVE THE PLAN CONFIRMED PURSUANT TO THE CRAMDOWN PROVISIONS OF § 1129(B) OF THE BANKRUPTCY CODE IF ANY VOTING CLASS REJECTS OR IS DEEMED TO REJECT THE PLAN.

All claimants are advised and encouraged to read this Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan. Plan summaries and statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan, other exhibits thereto and other documents referenced herein as being filed

with the Bankruptcy Court prior to or concurrent with the filing of this Disclosure Statement. Subsequent to the date hereof, there can be no assurances made that (i) the information and representations contained herein remain materially accurate; or (ii) this Disclosure Statement contains all material information.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH § 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAW. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN OR THE FAIRNESS OR THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY ARE UNLAWFUL. THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT EXCEPT AS EXPRESSLY INDICATED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS OR SECURITIES OF THE PLAN PROPONENTS SHOULD EVALUATE THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

THIS DOCUMENT HAS BEEN COMPILED FROM INFORMATION OBTAINED BY THE PLAN PROPONENTS FROM THE TRUSTEE'S MONTHLY OPERATING REPORTS AND NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE PLAN PROPONENT'S KNOWLEDGE, INFORMATION AND BELIEF. HOWEVER, NOTHING CONTAINED HEREIN SHALL BE OR SHALL BE DEEMED TO

BE AN ADMISSION OR DECLARATION AGAINST INTERESTS BY THE PLAN PROPONENTS FOR THE PURPOSES OF ANY EXISTING OR FUTURE LITIGATION, NOR (EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN) SHALL ANYTHING HEREIN BE ATTRIBUTABLE TO THE COMMITTEE OR ADVISORS. AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED AS AN ADMISSION OR STIPULATION, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

After carefully reviewing this Disclosure Statement, including any and all Exhibits and/or Appendices hereto, each Holder of a Claim in a Voting Class should vote on the enclosed Ballot and return the Ballot. If you have a Claim in more than one Voting Class, you should obtain a separate Ballot for each Claim and vote each Claim separately.

TO BE COUNTED, YOUR BALLOT MUST BE COMPLETELY FILLED IN, SIGNED, AND RECEIVED BY: **The deadline for ballots will be set by further Order of the Court, which Order will be served upon all creditors and parties in interest.**

Subject to the next sentence, please vote and return your Ballot(s) to:

Clerk of the U.S. Bankruptcy Court
299 E. Broward Boulevard, Room 112
Fort Lauderdale, FL 33301

with a copy to

Moffa & Breuer, PLLC.
Attention: Stephen C. Breuer
1776 N. Pine Island Rd., #102
Plantation, FL 33322

FAILURE TO FOLLOW INSTRUCTIONS
MAY RESULT IN VOTE NOT BEING COUNTED

DO NOT RETURN ANY EVIDENCE OF INDEBTEDNESS OF THE PLAN PROPONENTS WITH YOUR BALLOT

If you have any questions about the procedures for voting, or if you did not receive a Ballot, received a damaged Ballot or have lost your ballot, please call Ann Marie Ellison at 954-634-4733.

The Court has scheduled the Confirmation hearing on TBD – the hearing date will be set by further Order of the Court, which Order will be served on all creditors and parties in interest. The hearing will be before the Honorable Raymond B. Ray, Bankruptcy Judge, United States Bankruptcy Court, Courtroom 308, 299 East Broward Boulevard, Fort Lauderdale, Florida. The Court has directed that objections, if any, to confirmation of the Plan be served and filed on or before a date to be set by the Court. The Confirmation Hearing may be adjourned from time to time by the Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

A. GENERAL INFORMATION

Brothers, Elias Marchelos (“Elias”) and Spiro Marchelos (“Spiro”) purchased the shares of Fisherman’s Pier, Inc. (“FPI”) from the prior shareholders in 2006. At the time,

the economy was heading toward a recession and shortly after taking over the company, the economy took a nosedive and rents and the economy stagnated. For much of the time prior to April 16, 2014, Elias Marchelos was the "face" of FPI and handled the day-to-day operations. During the early years, Gerald Cohen an attorney and accountant assisted FPI with its uneven cash flow with his financial acumen and became a shareholder and creditor of FPI.

On April 16, 2013, Spiro filed a Voluntary Petition under Chapter 13 of the Bankruptcy Code.

As Gerald Cohen ("Jerry") aged, he began to give some consideration to his estate and prior to October 2013, decided that the shares he owned in FPI should actually be owned by himself and his wife Zaida Cohen ("Zaida"), as tenants by the entirety (jointly "Cohens"). Jerry had control of the Corporate Share Ledger and shares were issued to Jerry and Zaida as tenants by the entirety. Allegedly, the Cohens learned that Spiro had filed a Bankruptcy Case and decided that they only wanted Elias to purchase the stock from them since Jerry's health deteriorated and Jerry and Zaida entered into an agreement to sell their shares.

On October 1, 2013, Elias entered into an Agreement with the Cohens ("the 10/1 Agreement"). In the 10/1 Agreement, Elias agreed to personally purchase the stock owned by the Cohens. At that time, it was undisputed that the Cohens owned 42% of the outstanding stock of FPI. Pursuant to the terms of the 10/1 Agreement with the Cohens, the Cohens retained ownership of the FPI stock and allegedly secured their position by having the FPI stock held in escrow by Charles Krieg of New York, pending payment of

the total amount of $3,900,000.00 to be paid over 300 months by equal monthly payments from Elias of $13,000.00.

However, Jerry decided to have an Addendum to the 10/1 Agreement, which contained language that seemed to negate the 10/1 Agreement and only set a payment schedule from Elias to the Cohens.

The Addendum to the 10/1 Agreement not only set forth a schedule for the payments by Elias to the Cohens, but stated that it (the Addendum) superseded all prior Agreements. Both Spiro and the Plan Proponents have adopted the position that the 10/1 Agreement was superseded by the Addendum. The Plan Proponents have since adopted this theory that Elias came to own the Cohens' stock upon the signing of the Addendum.

On April 16, 2014, exactly one year after Spiro filed his Chapter 13 bankruptcy case, Elias suffered a catastrophic stroke and heart attack and has not recovered sufficiently since that time to handle his own personal affairs. After Elias' stroke, Spiro took over the day-to-day operations of FPI and Martha Marchelos ("Martha"), Elias' wife, acted through Elias' power of attorney ("POA") on Elias' behalf.

On September 17, 2014, in violation of the automatic stay in Spiro's bankruptcy case, a lawsuit was filed by Elias in Broward County Circuit Court, Case number 2014-017994 ("State Court Litigation) which became a prolonged legal battle between Elias and Spiro which continued until this bankruptcy case filing. During the battle between Spiro and Elias in State Court, the parties entered into a Mediated Settlement Agreement in which the parties (Spiro and Elias) agreed that each would own 50% of the

shares of FPI. The agreement was approved by the Circuit Court, taken on appeal by Elias and found to be effective. On December 17, 2014, Spiro obtained a Discharge in his Chapter 13 case.

On September 16, 2015, Everett Sorenson, Gayle Sorenson and Roger Serfit ("Plaintiffs") filed a lawsuit in Broward County Circuit Court, Case Number CACE15016525. Although there was no evidence that the Plaintiffs ever loaned money to FPI, Spiro on behalf of FPI agreed to pay the Plaintiffs from FPI the approximate sum of $8,100.00 per month and the lawsuit was thereafter dismissed on February 2, 2016.

On May 24, 2016, Amilcar John Adao, filed a lawsuit in Broward County, Case number 2016-CA-009741, against Elias, Spiro and their wives Martha and Nikki respectively and against Athena by the Sea ("ABTS"). Mr. Adao was not listed in Spiro's bankruptcy case even though he was owed money from Spiro, and was apparently unaware of Spiro's bankruptcy case.

On June 8, 2017, Spiro and Nikki were dismissed from the Adao lawsuit after Spiro agreed to have FPI, who was not a party to the monies lent, nor was FPI liable to the Plaintiff, pay Mr. Adao a monthly sum of approximately $7,500.00 from FPI. Until the filing of the FPI bankruptcy case, Adao was being paid from FPI monies notwithstanding FPI never having been liable to Mr. Adao until the agreement with Adao by Spiro, Nikki and FPI.

Spiro has recently taken the position that the money from Sorensen and Adao was also used to assist FPI and the Plan Proponents will adopt this position and ensure that they are property accounted for in the Plan.

After Spiro took over the operation of FPI, apparently all payments under the 10/1 Agreement and the Addendum thereto were made to the Cohens until Hurricane Irma hit South Florida in September, 2017. At that time, Zaida was the only surviving spouse of the Cohens. After the hurricane, Zaida received notice which informed her that payments to her were going to need to stop or the company may have to file a bankruptcy case. After Zaida received the news that payments would not continue and that a bankruptcy case may needed, Zaida became concerned and discussed this matter with Elias' POA and the attorney representing Elias' interest. Based on the condition of the properties and the email from Spiro that the payments would cease for two months, on October 4, 2017, Elias and Zaida entered into an agreement for a friendly foreclosure of Elias' alleged 42% interest in the FPI stock, the subject of the 10/1/13 Agreement. Zaida and Elias entered into an agreement dated October 4, 2017 where numerous actions were taken by Zaida and Elias, one of which was to allow Zaida to recover the 42% of shares she allegedly owned and to cooperate toward turning FPI back into a showplace of Lauderdale by the Sea.

Zaida and Elias became convinced by an attorney that a Chapter 11 Bankruptcy Case may be the best course of action to restore the condition on the Pier. The attorney, David Mogul ("Mogul"), was involved in another case as an adversary with Moffa & Breuer, PLLC ("MB") which was resolved between the litigants in mid-October 2017. Immediately after having this other matter resolved on the same telephone call, Mogul laid out his version of the facts regarding the shareholders and the 10/4/17 agreement.

A meeting was held on October 17, 2017 with MB, Martha, Zaida and Mogul.

While it seemed to be a shareholder dispute with family issues, three of the facts that mitigated in favor of considering a Chapter 11 case were [1] whether Cohen owned shares and in what amount; [2] that FPI's mortgage with its lender, Bank of the Ozarks, held a mortgage on the real property owned by FPI which would balloon on September 1, 2018; and, [3] that FPI did not have commercially viable leases with many of the tenants, including the insider/shareholders.

B. FACTORS PRECIPITATING FILING OF CHAPTER 11 CASE and RESULTS

Due to the upcoming balloon of the mortgage, the condition of the property and the ongoing litigation in State Court, the shareholders through Martha and Zaida resolved to file a Chapter 11 bankruptcy case and on October 23, 2017, FPI filed a Voluntary Petition under Chapter 11 of the Bankruptcy Code and became a Debtor-in-Possession.

Since the filing of the Bankruptcy case, the Bankruptcy Judge abstained on the issue of the ownership of the shares of FPI and the State Court Judge ruled that both Spiro and Elias each owned 50% of the shares. This ruling left Cohen in an unenviable situation which has yet to be resolved.

The Judge held that Zaida had no standing and should have come forward earlier with her claim, despite her not being a party to the litigation. Zaida and Elias each appealed that ruling, but each appeal was subsequently dismissed by the Court.

No Creditors' Committee was appointed and since that time, a Trustee has been appointed to oversee the case. Spiro currently has a pending Amended Emergency Motion to Dismiss (ECF 156) however, he has also joined in a plan of reorganization, acknowledging the need for financial reorganization of FPI.

The J.J. Rissell, Allentown PA, Trust, dated January 11, 2018 ("Trust") was formed after the Trustee was appointed and the Debtor-in-Possession was no longer in possession of FPI's operations. The Trust was formed with the intent of securing payment of attorneys' fees and to assist Elias with obtaining the proper medical care and assisting his wife with the care and financial obligations which are in front of them since Elias is still a relatively "young" man with several disabilities and often needs care by two or more caretakers.

Unfortunately for Spiro and Spiro's creditors, including the bank holding the mortgage on Spiro's homestead which agreed to a mediated settlement agreement in the Chapter 13 case, Spiro never bother to list his shareholder interest in FPI, nor his interest in Anglin's Beach Café and Athena-by-the-Sea. In addition, Spiro failed to list, at a minimum, creditors Roger Sifrit, Gayle Sorenson, Everett Sorensen, who filed a POC in this case; Amilcar "John" Adao, who also filed a POC in this case; and Bank of the Ozarks, the secured creditor in this case to whom Spiro tendered a guaranty of the FPI debt and failed to list the co-debtors to these and other debts.

II. THE PLAN AND EXECUTION OF THE PLAN

A. Retention or Property: The Reorganized Debtor shall retain all of their Properties, other than that Property disposed of during the Chapter 11 case and/or disposed of pursuant to this Plan.

B. Satisfaction of Claims: All Claims of creditors shall be satisfied solely in accordance with the Plan. On and after the Effective Date, the assets of the Debtor shall be free and clear of all claims of creditors except as specifically

provided for in the Plan or the Confirmation Order.

III. OPERATIONS OF THE REORGANIZED DEBTOR AFTER CONFIRMATION

Under the Plan Proponent's Plan, the Debtor will be operated by John A. Moffa, as President, who intends to hire a commercial real estate manager to manage the properties during the term of the Plan or as otherwise determined by the Shareholders of the Debtor.

IV. CONFIRMATION PROCEDURES

A. VOTING REQUIREMENTS AND PROCEDURES

Voting Requirements. Only Holders of Claims against the Debtor are entitled to vote on the Plan, however holders of Unimpaired Claims are not entitled to vote on the Plan.

The Bankruptcy Code defines acceptance of a Plan by an impaired class of claims or interests as acceptance by holders of at least 2/3 in dollar amount, and more than ½ in number, of the claims of that class which actually cast ballots.

In the event a class rejects the Plan, it is possible that the Plan will not be confirmed and the Court may dismiss this case. In the event any class rejects the Plan, the PLAN PROPONENTS may nonetheless seek to confirm the Plan over such rejecting class' vote on the Plan.

B. Voting Procedures. Pursuant to various provisions of the Bankruptcy Code, only classes of claims against the Debtor that are impaired under the terms and provisions of a Plan of Reorganization are entitled to vote to accept or reject a Plan.

Accordingly, classes of Claims that are not impaired are not entitled to vote on the Plan. Some creditors might hold claims in more than one impaired class and must vote separately for each class. Such creditors will receive a separate Ballot for all of their claims in each class (in accordance with the records of the Clerk of the Bankruptcy Court) and should complete and sign each Ballot separately.

Votes on the Plan will be counted only with respect to Claims of impaired Classes: (a) that are listed on the Debtor's Schedules of Assets and Liabilities, other than as disputed, contingent, or unliquidated; or (b) for which a proof of claim was filed on or before the bar date set by the Bankruptcy Court for the filing of proofs of claim (except for certain Claims expressly excluded from that bar date or which are allowed by Order of the Court). However, any vote by a Holder of a Claim shall not be counted if such Claim has been disallowed or is the subject of an unresolved objection, absent an order of the Court allowing such Claim for voting purposes pursuant to § 502 of the Bankruptcy Code and Bankruptcy Rule 3018.

Voting on the Plan by each Holder of a Claim or Interest in an impaired Class is important. After carefully reviewing the Plan and this Disclosure Statement, please indicate your vote on each enclosed Ballot and return it in the preaddressed stamped envelope provided for this purpose.

TO BE COUNTED, YOUR BALLOT MUST BE COMPLETELY FILLED IN, SIGNED, AND RECEIVED BY: **The deadline for ballots will be set by further Order of the Court, which Order will be served upon all creditors and parties in interest.**

If your Ballot is not signed and returned as described, it will not be counted. If

your Ballot is damaged or lost, or if you do not receive a Ballot, you may request a replacement by addressing a written request to the Plan Propenents' Attorneys.

Please follow the directions contained on the enclosed Ballot carefully.

C. VOTE REQUIRED FOR ACCEPTANCE; CONFIRMATION

The Bankruptcy Code defines acceptance of a Plan by an impaired class of claims as acceptance by holders of at least 2/3 in dollar amount, and more than ½ in number, of the claims of that class which actually cast ballots (other than any holders who are found by the Bankruptcy Court to have cast their ballots in bad faith).

In addition to this voting requirement, § 1129 of the Bankruptcy Code requires that a Plan be accepted by each holder of a claim or interest in an impaired class or that the Plan otherwise be found by the Court to be in the best interests of each holder of a claim or interest in an impaired class. *See* "Best Interest Test" below.

If one class of impaired claims or interests accepts the Plan, the court may confirm the Plan under the "cramdown" provisions of § 1129(b) of the Bankruptcy Code, which permits the confirmation of a Plan over the dissenting votes of creditors or equity interest holders that have voted, as a class, to reject the Plan, provided that certain standards are met. *See* "Cramdown" below.

In the event any Voting Class voted against the Plan, the terms of the Plan may be modified by the Plan Proponents, as necessary to effect a "cramdown" on such dissenting class or classes by reallocating value from all classes junior to the objecting class or classes to any impaired senior classes until such impaired senior

classes are paid in accordance with the absolute priority rule of § 1129(b) of the Bankruptcy Code. Any such modifications or amendments shall be filed with the Bankruptcy Court and served on all parties in interest entitled to receive notice of the hearing on the confirmation of the affected Plan at least ten (10) days prior to such hearing. Subject to the conditions set forth in the Plan, a determination by the Bankruptcy Court that the Plan is not confirmable pursuant to § 1129 of the Bankruptcy Code will not limit or affect the Plan Proponents' ability to modify the Plan to satisfy the provisions of § 1129 of the Bankruptcy Code.

D. BEST INTEREST TEST

Notwithstanding acceptance of the Plan by each impaired class, in order to confirm the Plan the Bankruptcy Court must determine that the Plan is in the best interests of each Holder of a claim or interest that has not accepted the Plan. Accordingly, if an Impaired Class does not unanimously accept the plan, the "best interests" test of § 1129(a)(7) of the Bankruptcy Code requires that the Court find that the Plan provides to each holder of a claim or interest in such impaired class a recovery on account of the holder's claim or interest that has a value at least equal to the value of the distribution that each holder would receive if the debtors were liquidated under Chapter 7 of the Bankruptcy Code.

The Plan Proponents believe that in a Chapter 7 liquidation, each holder of an Allowed Secured Claim would eventually be paid in full as sufficient equity in the real property exists to pay this creditor and that all creditors in Classes 1 through 5 would be paid in full. It is unclear whether the interests in Class 6 would receive any

dividend.

Each claimant that holds an Allowed Secured Claim is being paid interest on its claim which under this Plan is treated equally than it would have in a Chapter 7 liquidation. The impaired creditors in Class and 5 will receive interest over time on their obligations, which will exceed the Federal Judgment Rate and therefore will receive value in excess of that it would receive in the event of a Chapter 7 liquidation.

Since the holders of all Allowed Secured Claims and General Unsecured Claims will receive value equal to or greater than that they would receive in a Chapter 7 liquidation, the recovery provided for under the Plan Proponents' Plan is in the best interest of each Impaired Class under § 1129(a)(7) and should be approved by the Bankruptcy Court.

E. FAIR AND EQUITABLE TEST; CRAMDOWN

Any Voting Class that fails to accept the Plan will be deemed to have rejected the Plan. Notwithstanding such rejection, the Bankruptcy Court may confirm the Plan and the Plan will be binding upon all Classes, including the Classes rejecting the Plan, if the Plan Proponents demonstrate to the Bankruptcy Court that at least one impaired class of Claims has accepted the Plan and that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class. A Plan does not discriminate unfairly if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are similar to those of the dissenting class and if no class receives more than it is entitled to for its claims or interests.

The Bankruptcy Code establishes different "fair and equitable" tests for the secured and unsecured creditors as follows:

Secured Creditors. Either (i) each secured creditor in a non-accepting impaired class retains the liens securing its secured claim and receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each secured creditor in a non-accepting impaired class realizes the indubitable equivalent of its allowed secured claim, or (iii) the property securing the claim is sold free and clear of liens with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

Unsecured Creditors. Either (i) each unsecured creditor in a non-accepting impaired class receives or retains under the Plan property having a present value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the Plan.

THE PLAN PROPONENTS BELIEVE THAT THE PLAN DOES NOT DISCRIMINATE UNFAIRLY WITH RESPECT TO ANY CLASS AND IS FAIR AND EQUITABLE WITH RESPECT TO EACH IMPAIRED CLASS. THEREFORE, THE PLAN PROPONENTS INTEND TO SEEK CONFIRMATION OF THE PLAN EVEN IF LESS THAN THE REQUISITE NUMBER OF FAVORABLE VOTES ARE OBTAINED FROM ANY VOTING CLASS.

F. FEASIBILITY

The Bankruptcy Code requires that the Bankruptcy Court, in order to confirm the Plan, must find that confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Debtor (the "Feasibility Test"). For the Plan to meet the Feasibility Test, the Bankruptcy Court must find that the Reorganized Debtors, subsequent to the Effective Date, will have a reasonable expectation of generating, through its operations, funds sufficient to satisfy its obligations under the Plan and otherwise.

Assuming consummation of the Plan substantially as described herein, the Plan Proponents believe that the Plan meets the requirements of the Feasibility Test. The Plan Proponents project that the ongoing business enterprises operated by the Plan Proponents will generate sufficient monthly cash flow to fund the Plan of Reorganization. The Plan Proponents will generate sufficient funds to meet the Debtor's obligations under the Plan and otherwise.

The Plan Proponents caution that no representations can be made with respect to the accuracy of these projections or the ability to achieve the projected results. The conclusions described herein are subject to numerous assumptions regarding the continuing operations of the Reorganized Debtor. Moreover, unanticipated and uncontrollable events and circumstances may occur after the date of the forecasts which could affect the business of the Reorganized Debtor. Accordingly, although the Plan Proponents believe that the projected results are achievable, actual results achieved during the period covered by the Projections will undoubtedly vary from the Projections, and such variations may be material.

G. EFFECT OF CONFIRMATION

Confirmation of the Plan will make the Plan binding upon the Plan Proponents, creditors, and other parties in interest regardless of whether they have accepted the Plan, and such creditors will be prohibited from receiving payment from, or seeking recourse against, any assets that are distributed under the Plan, except as expressly provided in the Plan or the Confirmation Order. In addition, confirmation of the Plan will enjoin creditors from taking a wide variety of actions on account of a debt, claim, liability, interest, or right that arose prior to the Confirmation Date. As of the Effective Date of the Plan, Confirmation will also operate as a discharge of all Claims against and Interests in the Debtor as set forth in the Plan and to the full extent authorized by § 1141(d) of the Bankruptcy Code.

H. POTENTIAL FEDERAL TAX CONSEQUENCES

The Plan Proponents estimate that there are no negative federal tax consequences to Confirmation of the Plan of Reorganization.

V. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed and consummated, the alternatives include: (i) preparation and presentation of an alternative plan of reorganization; (ii) liquidation of the Debtor under Chapter 7 or Chapter 11 of the Bankruptcy Code; or (iii) dismissal of the Debtor's bankruptcy case.

1. LIQUIDATION UNDER CHAPTER 11

In a liquidation under Chapter 11, the Debtor's assets would be sold in an

orderly fashion over a more extended period of time than in a liquidation under Chapter 7. If a trustee were not appointed, since one is not required in a Chapter 11 case, the expenses for professional fees would most likely be lower than in a Chapter 7 case, although committee members and their professional advisors are not compensated in a Chapter 7 case. To the extent that an increased recovery may result from an extended liquidation under Chapter 11, however, such an increase may well be offset by significant decreases in value of the Debtor's business operations due to the possible competitive and operating consequences. Notwithstanding the foregoing, the Plan Proponents believe that it is highly unlikely that the Debtor's assets could be liquidationed in Chapter 11 or Chapter 7 in a manner which maximizes the value of such assets if the Debtor continued to operate.

2. LIQUIDATION UNDER CHAPTER 7 and ANALYSIS

If no plan can be confirmed, the Debtor's Chapter 11 case may be converted to a case under Chapter 7, in which a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to its creditors in accordance with the priorities established by the Bankruptcy Code. The Plan Proponents believe that the creditors will realize the full amount of their claims in this Chapter 11 case and that a Chapter 7 liquidation represents an alternative clearly inferior to the Plan in all material respects.

Due to the value of the real estate and the current rental income, it is very likely that any liquidation would not result in sale proceeds sufficient to pay all non-equity creditors. **Therefore, a liquidation analysis has not been prepared.**

G. MISCELLANEOUS

1. CLAIMS PROCESS AND BAR DATES

The Debtor filed its Schedules of Assets and Liabilities.

The Plan Proponents preliminarily estimate the aggregate Allowed Amount of all general unsecured Claims at less than $4,000,000.00. Additionally, the PLAN PROPONENTS are analyzing and evaluating proofs of claim to determine whether there exists a basis for objection or settlement as to certain trade debts. All other claims in classes 2, 4 and 5 are unimpaired and have accepted the Plan as set forth..

The Plan provides that, unless an earlier date is established by the Court, all Bankruptcy objections to Claims shall be filed with the Court and served on the Holders of the Claims to which a party has an objection by the later of: (i) 60 days after the Effective Date and (ii) 60 days after a particular proof of claim is filed with the Court. If an objection to any Claim is not timely filed by such bar dates, such Claim will be treated as an Allowed Claim if such Claim has not been disallowed earlier. Any Claim which is allowed under the provisions of this Plan shall be an Allowed Claim and not subject to objections by any person including the Reorganized Debtor (with certain exceptions). The Reorganized Debtor will have the authority to file objections, settle, compromise, withdraw, or litigate to judgment objections to Claims, or Disputed Interests; provided however, that any Committee shall retain the right, with leave of the Court on motion with a hearing, to do any of the foregoing upon a demonstration that the Reorganized Debtor has acted unreasonably and otherwise inconsistent with the interests of creditors in respect of acts or omissions relating to

the foregoing, and that such acts or omissions have had, or will, if continued, have a material and adverse effect upon such interests.

2. RISK FACTORS TO BE CONSIDERED

The risk factors discussed in this Disclosure Statement assume confirmation and consummation of the Plan, and the transactions contemplated by the Plan, and do not include matters that could prevent confirmation or consummation. Prior to voting on the Plan, each Holder of a Claim should carefully consider the risk factors enumerated as well as all of the information contained in this Disclosure Statement, including the Plan and the other exhibits hereto.

VI. PROJECTED RECOVERY OF AVOIDABLE TRANSFERS

The Plan Proponent does not intend to pursue any preference, fraudulent conveyance, or avoidance actions at this time. The Plan Proponent does not believe any further preference actions exist.

VII. CURRENT FINANCIAL CONDITIONS

The most recent Monthly Operating Report for the Debtor is the April 1 – 30, 2018 report filed by the Trustee on or about May 20, 2018, which is attached as Exhibit A.

VIII. SUMMARY OF THE PLAN AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

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

As required by the Code, the Plan places claims and 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 by the Plan.

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

B. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

Claims and interests shall be treated as follows under the Plan:

Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan, in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Plan Proponents.

Priority Tax Claims. Each holder of a priority tax claim will be paid the full amount of its priority claim over a period not to exceed 60 months from the Petition Date, at 4% interest, in equal monthly payments, in full satisfaction of its priority claim (or as otherwise agreed). The Plan Proponents estimate that the total priority tax claims will be under $5,000.00.

United States Trustee Fees. 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. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

Class 1 – Other Priority Claims (not listed above in Article III)

Not Impaired

Class 1 is unimpaired by this Plan. Each holder of a Class 1 Priority Claim will be paid in full, in cash, upon the later of the effective date of this Plan, as otherwise agreed to by the holders of these claims and the Debtor, or the date on which such claims are allowed by a Final Order.

Class 1 is deemed to have accepted this Plan and is, therefore, not entitled to vote on the Plan. No amount is believed to be due.

Class 2 – Bank of Ozarks Secured Claim

Impaired

TREATMENT**:** Class 2, Bank of the Ozarks is impaired by this Plan. Subject to 4.02(a) the maturity of its loan, September 1, 2018, will be extended five years from the petition date. It shall continue to be paid its mortgage loan by the Reorganized Debtor in accordance with the terms, conditions and interest rate of its mortgage loan documents and retain its liens on property of the Debtor. Any monetary default under Bank of the Ozarks' mortgage loan shall be cured on the effective date of the Plan. On the effective date, Bank of the Ozarks and the Reorganized Debtor, shall execute renewal, modification and extension documents common to such transactions to effectuate the extension of loan maturity or, alternatively, incorporate such terms in the Plan and/or Confirmation Order.

Any attorney's fees due to this creditor on account of this bankruptcy case, shall be paid in full within 60 days of the Effective Date of the Plan by the Reorganized Debtor. The JJ Rissell, Allentown, PA, Trust dated January 11, 2018 shall also execute a guarantee to this creditor.

It is believed that this creditor is owed a minimal amount of attorneys' fees (under $30,000.00).

Class 3 – General Unsecured Creditors

Not Impaired

TREATMENT**:** Class 3 consists of all general unsecured creditors who are not otherwise set forth specifically herein. This Class is unimpaired by this Plan. The holder of a Class 3 claim will be paid in full, in cash, upon the later of the effective date of this Plan, as

otherwise agreed to by the holders of these claims and the Debtor, or the date on which such claims are allowed by a Final Order is defined to have accepted this Plan. Therefore, Creditors in Class 3 are not entitled to vote on the Plan and are deemed to have accepted this Plan.

The Claims Register lists claims which total approximately $142,000.00, but is unclear that all of these claims will be allowed since some are disputed, some are late, some may have been paid and some are unliquidated. The Plan Proponent believes that the allowed claims in this class will be approximately $70,000.00.

Class 4 – General Unsecured Creditor Everett Sorensen ("Sorensen")

Impaired

TREATMENT**:** Class 4 is impaired by this Plan. Sorensen is allowed a $609,100 unsecured claim. On the Effective Date of the Plan, the Reorganized Debtor will pay this creditor the sum of $50,100.00 and thereafter make regular monthly payments on the balance over 60 months in equal monthly payments **along with interest which will accrue at the rate of 4.00%** from the Effective Date.

Class 5 – General Unsecured Creditor Amlicar John Adao ("Adao")

Not Impaired.

Adao filed a Proof of Claim in the amount of $277,500 based on an agreed judgment in the Circuit Court of Broward County, even though Ado did NOT sue the Debtor. Adao was being paid at the rate of $7,500.00 per month, without interest, until the Debtor filed its bankruptcy case. However, it appears that the Agreed Judgment was $300,000 and that this creditor was paid $75,000.00 which should leave a balance due of $225,000.00.

The Plan Proponent intends to work with this creditor to determine the actual balance due and ensure any payments missed due to the bankruptcy case will be cured on the Effective Date of the Plan or the date on which such claims are allowed by a Final Order. On the Effective Date, the reorganized debtor will pay this creditor for the post-petition months it was not paid and begin paying the balance of its unsecured claim payable $7,500 per month until paid in full. This creditor is not impaired and is not eligible to vote on the Plan. The pending adversary proceeding against Adao, shall be dismissed with prejudice on the Effective Date of the Plan or the date on which such claims are allowed by a Final Order.

This creditor will be due approximately $75,000 on the Effective Date.

Class 6 – The General Unsecured Claim Of Zaida Cohen Filed - An Alternative To Her Claim Of Interest In The Debtor

I**mpaired**

TREATMENT**:** Class 5 is impaired under the Plan. The holder of the allowed Class 5 claim will be paid by the Reorganized Debtor a total of $2,317,484.00 in principal. **Upon the Effective Date of the Plan or the date on which such claims are allowed by a Final Order., the reorganized Debtor will make the minimum payment of $50,000.00 to this creditor with the balance of no more than $2,267,484.00 which will be paid in equal monthly payments of principal and interest (4.50%) of $12,603.00** each month, beginning the first day of the month following the effective date of the Plan and continuing until monthly payments are completed (300 payments). This creditor will be issued a promissory note from the Reorganized Debtor and, to the extent there is no objection or restriction by the Bank of the Ozarks, the Reorganized Debtor will issue a Mortgage on

the Reorganized Debtor's real property in favor of this creditor which shall be subordinate to Bank of the Ozarks' mortgage. No documentary stamps for the note and/or mortgage will be due to the State of Florida.

Class 7 – Equity Interest Holders of The Debtor

Impaired

TREATMENT**:** Class 7 is impaired by this Plan. Pursuant to a State Court Mediated Settlement Agreement wherein the Court held that Spiro Marchelos ("Spiro") and Elias Marchelos each owned 50 shares each of common stock in the Debtor and Elias Marchelos subsequently assigned his shareholder interest to the J.J. Rissell, Allentown PA, Trust, dated January 11, 2018 ("Rissell Trust"). The shareholder interests of Spiro, the Rissell Trust and any other purported shareholder will be canceled. Both Spiro and the Rissell Trust will each be entitled to 50 shares of non-voting stock in the reorganized debtor for which 100 shares of non-voting stock will be issued.

Voting shares will be available to Spiro and the Rissell Trust only at the price of $25,000.00 per ½ share of voting stock, which will be the New Capital Infusion ("NCI"). There will be 10 voting shares available for purchase which, if all are sold would bring in $500,000 of additional capital to the Reorganized Debtor. **The Plan Proponent has pledged to purchase a minimum of 3 full shares of voting stock with an NCI of at least $150,000.00.** The funds generated through the NCI from the sale of voting stock, will be used to pay a portion of the allowed claims of claimants in Classes 4, 5 & 6 on the effective date of the Plan as set forth in those Classes and for future operating capital to the extent necessary. Additional shares will be purchased by the Rissell Trust in the

event there are is a shortage of money needed for confirmation and unsold voting shares are available since it is unclear what balance will be due to some of the unsecured creditors and for the secured creditor's attorneys' fees. The purchase of voting shares will be open only to the proposed non-voting shareholders up to 15 business days prior to the Effective Date of the Plan, at which point no additional voting shares will be issued unless agreed by 100% of the voting shareholders. Payment for the purchased voting shares shall be due to the Debtor seven days prior to the Effective Date of the Plan.

Class 8 – Tenant Lease Deposits.

Class 8 consists of deposits from the current tenants which have NOT been held separately or in trust. Those tenants to whom deposits refunds may be owed in the future are contingent creditors who will be paid after the term of the lease expires or is otherwise terminated; damages, if any are determined; and a determination is made whether any damages, unpaid rent, fees or any other monies are due to the Reorganized Debtor. Any deposit refund will be paid as set forth in the lease, in full within 30 days after a resolution of the foregoing, but after termination of the lease to the extent monies are due and owing to said tenants.

4.02 Explanation of classification and treatment of impaired Class 2.

a. Class 2.

i. Bank of the Ozarks is a secured creditor of the Debtor whose debt is secured by senior liens on substantially all of the Debtor's property. As of the petition date Bank of the Ozarks was owed $3,512,879.51. Under its loan terms, Bank of the Ozarks is paid $38,787.00 per month, which includes principal, interest and insurance premium and real

estate tax escrow payments. The Bank of the Ozarks is over secured and, as an over secured creditor, it is entitled to its reasonable attorney's fees, costs and charges provided for under its loan documents. The Bank will be paid the reasonable amount of Bank of the Ozarks' fees, costs and charges as asserted or as agreed, which will be added to the amount of its Class 2 secured claim.

ii. The Bank of the Ozarks loan matures on September 1, 2018, soon after the expected Effective Date. Therefore, to address any objections to confirmation of the Plan because it may not satisfy the requirement that confirmation of the Plan not be followed by a need for financial reorganization, the term of the maturity of the Bank of the Ozarks loan will be extended for five years from the Petition Date, until October 23, 2022. During the five year extension of the maturity date of the loan, the Reorganized Debtor shall continue to make the same monthly payments and perform all of the obligations of the Debtor under the Bank of the Ozarks loan documents.

iii. On the Effective Date, the Reorganized Debtor shall execute modification, extension and renewal loan documents common to such transactions to evidence the extension of the loan maturity or, alternatively, incorporate such terms in the Plan and/or Confirmation Order. The order confirming the Plan shall specifically authorize John A. Moffa, as president of the Reorganized Debtor, to execute the Bank of the Ozarks loan extension documents and bind the Reorganized Debtor.

IX. **Means of Implementing the Plan**

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following:

1. The Plan Proponents will fund the Plan through rental property income and the NCI listed in Class 7 of Section VIII
2. Funds held in the undersigned's trust account for confirmation, to the extent available.
3. Projected income, plan payments and expenses are attached hereto as Exhibit B.

X. Executory Contracts and Unexpired Leases

Assumed Executory Contracts and Unexpired Leases.
The Trustee will assume the following executory contracts and/or unexpired leases on the effective date of the Plan and assigns them to the Reorganized Debtor:

(1) Anglin Family Trust
246 Pine Avenue
Ft. Lauderdale, FL 33308 (This includes the original leases and any and all amendments)
(a) Memorandum of Lease and Prohibition on Future Encumbrance, dated 9/8/06
(b) Amendment to Leases and Option to Purchase, dated 6/3/2005, which amended leases include:

(i) Leisurewear Store Lease, M.H. Demko, as Trustee and R.F. Lunsford, as Trustee, dated 5/15/1975;

(ii) Scot's Sundries Lease, M.H. Demko, as Trustee and R.F. Lunsford, as Trustee, dated 9/13/1964; and

(iii) Anglin Fishing Pier Lease, M.H. Demko, as Trustee for M.I. Anglin, S.A. Anglin, R.F. Lunsford, T.R. Anglin and E.M. Sizemore, and R.F. Lunsford, as Trustee for M.I. Anglin, S.A. Anglin, M.H. Demko, J.W. Anglin and B.M. Bickleman, dated 1/25/1963, including Addenda to Lease dated 1/25/1963

TREATMENT: All leases identified herein are current and no cure amount is required or due from Debtor.

(2) Submerged Land Leases
Board of Trustees of the Internal Improvement Trust Fund of the State of Florida
500 S. Bronough Street (R.A. Gray Bldg)
Tallahassee, FL 32399; and
c/o Donald Kerrin
400 N. Congress Avenue, Suite 200
WPB, FL 33416;
(a) Sovereignty Submerged Lands Lease Renewal, dated 5/4/09
(b) Sovereignty Submerged Lands Lease Renewal, dated 5/4/2014
(Including any and all amendments)

TREATMENT: All leases identified herein are current and no cure amount is required or due from Debtor.

(3) TENANT LEASES- The Trustee assumes the following executory contracts and/or unexpired leases on the effective date of the Plan and assigns them to the Reorganized Debtor (except as listed):

i) Anglin's Beach Café, LLC
2 East Commercial Blvd.
Lauderdale by the Sea, FL 33308
TREATMENT: Currently, no commercial lease exists. The tenant will be given the opportunity to lease this space at a competitive commercial rental amount.

ii) 4D By the Sea, LLC
670 Lincoln Road
Miami, FL 33139
Business Lease Agreement, dated 8/15/2013 for period 8/15/2013 through 8/14/2024
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

iii) Asta Parking, Inc.
725 NW 26th Avenue
Ft. Lauderdale, FL 33304
Agreement to Provide Parking Management Services for Fisherman's Pier & Parking Lot, dated 11/5/2013 for period 11/5/2013 through 11/4/2018
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

iv) Athena By The Sea
Martha K Marchelos, RA
2609 NE 27 Way
Ft. Lauderdale, FL 33306
TREATMENT: Payment on the lease is not current and tenant has vacated the premises. This lease is rejected and no cure amount is required or due from Debtor.

v) COAST LDBS, LLC
3414 Willow Wood Rd
Lauderhill, FL 33319; and
Rita I. Langevin, RA
8051-2 South Aragon Blvd.
Ft. Lauderdale, FL 33322
Commercial Lease Agreement, dated 9/30/2017 for period 10/1/2017 through 9/30/2020
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

vi) Diamonds and Doggies, LLC
111 Commercial Boulevard
Lauderdale by the Sea, FL 33308; and
John Mario Gonzalez, RA
1740 NW 122 Terrace

Pembroke Pines, FL 33026
Lease [Agreement], dated 4/1/2011 for period 4/1/2011 through 4/4/2021
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

vii) GUG Underwater, Inc.
4750 NE 11th Avenue
Ft. Lauderdale, FL 33334
Lease [Agreement], dated April, 2017 for period 5/1/2017 through 5/1/2021
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

viii) Kilwin's Chocolates Franchise, Inc. [Co-Lessee with Sweet Investments, Inc.]
1050 Bay View Road
Petoskey, MI 49770; and
Steve Hart, RA
850 NW 17th Avenue D
Delray Beach, FL 33445
Lease Agreement, dated 1/26/2006 for period 9/1/2006 through 8/31/2021
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

ix) Sweet Investments, Inc., [Co-Lessee with Kilwin's Chocolates Franchise, Inc.]
117 Commercial Blvd.
Lauderdale by the Sea, FL 33308; and
Janet Deni, RA
228 S.E. 3rd Terrace
Pompano Beach, FL 33060
Sublease Agreement, dated 11/1/2006 for period 11/1/2006 through 8/31/2021
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

x) Shore Restaurants, LLC
300 Colorado Avenue, Suite 201
Stuart, FL 34994
Business Lease Agreement, dated 8/31/2013 for the period 12/15/2013 through 12/15/2024
TREATMENT: Payment on the lease is current and no cure amount is required or due from Debtor.

(b) The Trustee will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, upon the entry of the order confirming the Plan. A proof of claim arising from the rejection of an

executory contract or unexpired lease under this section must be filed no later than thirty (30) days after the date of the order confirming the Plan.

The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract Is 30 days after rejection. 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.

XI. 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 § 1129, and they are not the only requirements for confirmation.

A. 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, classes 1 through 6 are impaired and holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan at the current time.

1. *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 Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

2. *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.

3. *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; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expense claims.

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].

4. *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 a Plan in each capacity, and should cast one ballot for each claim.

B. **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 in Section B.2.

1. *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.

2, Treatment of Non-Accepting 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 "cramdown" confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

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.

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor 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, unless otherwise arrangements with said creditors have been made. In addition, there will be an NCI, set forth in Class 7 above

2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

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

XII. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

Substantial Consummation**.** The Plan shall be deemed substantially consummated immediately on the completion of all material actions required to be undertaken on the Effective Date.

Notice of Effective Date. After occurrence of the Effective Date, the Debtor shall file with the clerk of the Bankruptcy Court a notice that the Plan has become effective; *provided, however,* that the failure to file such notice shall not affect the effectiveness of the Plan or the rights or substantive obligations of any entity hereunder. A final report may suffice for providing notice of the Effective Date.

Final Decree**.** After the Effective Date, the Debtor may move for a final decree closing the case and requesting such other orders as may be necessary and appropriate.

ARTICLE XII
POST CONFIRMATION JURISDICTION

The Bankruptcy Court, even after the case has been closed, shall have jurisdiction to the fullest extent of the law over all matters arising under, arising in, or relating to Debtor's chapter 11 cases, including proceedings to:

a. Ensure the consummation and implementation of the Plan;

b. Enter such orders as may be necessary or appropriate to implement, consummate, or enforce the provisions of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan or the Disclosure Statement;

c. Consider any modification of the Plan under Section 1127 of the Bankruptcy Code;

d. Hear and determine all Claims, controversies, suits and disputes which may affect the estate's payments, or against the estate to the extent permitted under 28 U.S.C. § 1334;

e. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any and all objections to the allowance or priority of Claims;

f. Hear, determine, and adjudicate any litigation involving the Litigation Claims or other claims or causes of action constituting Property;

g. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the estate that may be pending on or commenced after the Effective Date;

h. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any entity's obligations incurred in connection with the Plan, or any other agreements governing, instruments evidencing, or documents relating to any of the foregoing, including the interpretation or enforcement of any rights, remedies, or obligations under any of the foregoing;

i. Hear and determine all controversies, suits, and disputes that may arise out of or in connection with the enforcement of any and all subordination and similar agreements among various creditors pursuant to Section 510 of the Bankruptcy Code;

j. Hear and determine all requests for compensation and/or reimbursement of expenses that may be made for fees and expenses incurred before the Effective Date;

k. Enforce any Final Order, the Confirmation Order, the final decree, and all injunctions contained in those orders;

l. Enter an order concluding and terminating this case;

m. Correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order;

n. Determine all questions and disputes regarding title to the estate property;

o. Classify the Claims of any Claim holders and the treatment of these Claims under the Plan, to re-examine Claims that may have been allowed for purposes of voting, and to determine objections that may be filed to any Claims;

p. Take any action described in the Plan involving the post-confirmation Debtor;

q. Enter a final decree in Debtor's case as contemplated by Bankruptcy Rule 3022;

r. Enforce, by injunction or otherwise, the provisions set forth in the Plan, the Confirmation Order, any final decree, and any Final Order that provides for the adjudication of any issue by the Bankruptcy Court; and

s. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated.

If the Bankruptcy Court abstains, exercises discretion, or is otherwise precluded from hearing any matter within the scope of its jurisdiction, nothing in the Plan shall prohibit or limit the exercise of jurisdiction by any other tribunal of competent jurisdiction.

Dated May 14, 2018

BY: _____
John A. Moffa
Trustee of the JJ Rissell Trust

John A. Moffa /s/
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