

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE
JESUS MISSION CHURCH OF
ATLANTA, INC., d/b/a
GLORY CHURCH OF JESUS CHRIST,
Debtor

CHAPTER 11
CASE NO. 16-67623-CRM

JUDGE MULLINS

DEBTOR'S DISCLOSURE STATEMENT

I. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the small business Chapter 11 case of Jesus Mission Church of Atlanta, Inc. d/b/a Glory Church of Jesus Christ (the "Debtor"). The Debtor commenced this case on October 3, 2016 by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §1101 et seq. (the "Bankruptcy Code"). This Disclosure Statement contains information about the Debtor and describes the Debtor's Chapter 11 Plan (the "Plan") filed by the Debtor. *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 this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*

A. 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 (the “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 and the general provisions of the Plan.

You should read the Plan and this Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. 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. The Court has conditionally approved this Disclosure Statement, subject to the final approval after notice and hearing as set forth below, and has determined that the Plan itself provides adequate information, so that a separate disclosure statement is not necessary.

1. Time and Place of the Hearing for Final Approval This Disclosure Statement and to Confirm the Plan

The hearing at which the Court will determine whether to grant final approve this Disclosure Statement and confirm the Plan will take place on _____, 2017 at _____ p.m. in Courtroom 1203, at the United States Courthouse 75 Ted Turner Drive, SW, Atlanta, GA 30303.

2. 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 in the enclosed envelope to:

Clerk U.S. Bankruptcy Court
1340 U.S. Courthouse
75 Ted Turner Drive, SW
Atlanta, GA 30303

and also return a copy to:

Danowitz Legal, P.C.
300 Galleria Parkway NW
Suite 960
Atlanta, GA 30339

See Section IV. A. below for a discussion of voting eligibility requirements.

Your ballot must be received by _____, 2017 or it will not be counted.

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

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed in writing with the Clerk of the Court and served upon counsel for the Debtor by _____, 2017. If you file a written response, you must attach a certificate stating when, how, and on whom you served your response. The Address for the Clerk's Office is: Clerk, U.S. Bankruptcy Court, Suite 1340, 75 Ted Turner Drive, SW Atlanta, Georgia 30303. You must also mail a copy of your response to the Danowitz Legal, PC 300 Galleria Parkway NW Suite 960 Atlanta, Georgia 30339.

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact Danowitz Legal, PC, 300 Galleria Parkway NW Suite 960 Atlanta, Georgia 30339.

C. DISCLAIMER

The Court has conditionally 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 has 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 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 _____.

II. BACKGROUND

A. DESCRIPTION AND HISTORY OF THE DEBTOR'S BUSINESS

The Debtor is a 503(c) non-profit Christian based religious organization. Debtor was formed as a domestic non-profit corporation by filing the articles of incorporation with the Georgia Secretary of state on December 24, 2002. The Debtor conducted religious services and religious education out of facilities that it rented prior to acquiring its own facility in 2010. Immediately before acquiring its own church, Debtor operated out of 5267-1 Buford Highway in Doraville, Georgia. Debtor paid \$1,550,000.00 for the Church Property located at 3840 Summit Ridge Parkway in Duluth, Georgia on March 10, 2010 ("the Church Property"). From the Church Property, Debtor has held Christian worship services and a full range of Christian based activities, including education, music, and fellowship.

At its zenith, approximately 200 regular congregants worshiped weekly and financially supported Debtor. There has been a decline in congregation size, and weekly worship services generally draw 25-30 congregants.

As a result of the shrinking congregation base, Debtor decided to lease its facilities to other Christian based associations who needed limited access to the church and its facilities.

At the time of the commencement of this case, there were three written leases, and all three lessees remain.

B. INSIDERS OF THE DEBTOR

Insiders are defined by Section 101(31) of the Bankruptcy Code and include officers, directors, persons in charge of the Debtor, as well as relatives of officers, directors, or persons in charge of the Debtor. As a non-profit entity, there are no shareholders or members. Debtor is governed by a board of Trustees.

Heung “David” Lee was designated by the Trustees to represent the Debtor in this bankruptcy case and, as a person in charge of the Debtor, is an insider by definition. The records of the Secretary of State show Heung Lee as the CFO and Secretary, and Dong Cho as the CEO, so both of these would be insiders, as is Cheon Ook Kim, and Trustee and Deacon.

C. MANAGEMENT OF THE DEBTOR BEFORE AND DURING THE BANKRUPTCY

Huang “David” has been the reverend primarily responsible for operations and financial management of Debtor since the church’s inception in 2002.

D. EVENTS LEADING TO CHAPTER 11 FILING

At the time of the commencement of the Case, there was pending a foreclosure on the Church Property. Cumberland Presbyterian Church Investment Loan Program, Inc. holds a first priority deed to secure debt on the Church Property, and Debtor had fallen behind on its financial obligations to the lender. Debtor recognized that a foreclosure would not only eliminate its own religious mission, but also those of its tenants who provided similar

community outreach in Gwinnett County. Debtor also realized that a foreclosure was not likely to result in maximum value of the Church Property.

Debtor filed this case with the goal of refinancing its Church Property at favorable terms, and starting fresh with a new lender, but has been unable to secure funding.

E. SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE

1. Use of Cash Collateral. Debtor pledged its accounts and receivables as collateral to both the holder of the first priority deed to secure debt on the Church Property, that being Cumberland Presbyterian Church Investment Loan Program, Inc., and also to the holder of the second priority deed to secure debt on the Church Property, that being Williams Way, Inc. The accounts and receivables constitute “cash collateral” under the Bankruptcy Code, and Debtor was granted the use of cash collateral in exchange for “adequate protection” payments to the first and second lien holders. By Orders dated 11/18/16 [Doc. No. 26] and 12/9/16 [Doc. No.33]. Debtor has been paying the first priority lien holder interest only on the outstanding principal balance and has been paying the second priority lien holder the amount of \$1,000 per month during the pendency of this Case.

2. Assumption of Leases. When Debtor commenced this Chapter 11 Case, lessees ceased making rental payments to the Debtor and, through conversations with Debtor’s counsel, it was clear that the lessees had no working knowledge of bankruptcy law and did not seek independent legal counsel concerning their obligations to the Debtor-in possession. Debtor filed motions to assume two of these leases on October 20, 2016; one with Divinity Church International [Doc. No. 10], and the other with Iglesia Ni Cristo (Church of Christ) [Doc. No. 11]. Objections to the motions were made, and the Court entered orders finding the

leases to be in full force and effect, but reserving ruling on Debtor's motion to assume the leases. [Doc. Nos. 22, 23].

3. Debt Secured By Personalty

A search of the public records through GSCCA shows no UCC-1 financing statement having been filed by any entity to perfect a security interest in Debtor's personalty.

4. Professionals Approved by the Court

Debtor applied to hire Danowitz & Associates, P.C.¹ as Counsel in this Chapter 11 Case [Doc No. 3] on October 3, 2016. The Court approved this application on November 4, 2016 [Doc No. 17].

The Debtor retained no other professionals during the course of this Chapter 11 case.

5. Other Significant Events

The Debtor has complied with the reporting requirements of the Code and of the United States Trustee during the pendency of this case and has filed all required monthly operating reports with the Court.

Debtor requested, and the Court entered an order on December 9, 2016 setting a bar date for filing claims in this Case of January 20, 2017 [Doc No 34].

F. PROJECTED RECOVERY OF AVOIDABLE TRANSFERS

Debtor knows of no preferences, fraudulent conveyances, or other avoidance actions.

G. CLAIMS OBJECTIONS

¹ Danowitz & Associates, P.C. changed its name to Danowitz Legal, PC as of January 1, 2017, with the Georgia Secretary of State.

Debtor and counsel reviewed the timely filed claims, and has not found any basis to object to claims filed in this Case. Debtor reserves the right to object to any claim up to, and including, the Effective Date.

H. PROPOSED SALE OF PROPERTY

Concurrent with the filing of the Plan and this Disclosures Statement, Debtor is filing a motion with the Court to sell the Church Property and the personal property that is property of the estate, the sale of which is necessary to fund the Plan.

H. CURRENT AND HISTORICAL FINANCIAL CONDITIONS

During the pendency of this Case, the Debtor had average monthly revenue of \$9,645.24 and average monthly income of \$1,185.88. The following is a summary in revenue, expenses and income during this Case:

Period	Revenue	Expenses	Income
October 2016	\$5,877.51	\$4,146.38	\$1,731.13
November 2016	\$10,389.41	\$3,109.86	\$7,279.55
December 2016	\$11,372.33	\$15,542.37	-\$4,170.04
January 2017	\$10,911.71	\$10,332.57	\$579.14
February 2017	\$9,675.24	\$9,165.64	\$509.60
Total	\$48,226.20	\$42,296.82	\$5,929.38
Monthly Average	\$9,645.24	\$8,459.36	\$1,185.88

The full Monthly Operating Reports are available through PACER or may be obtained by making a written request to the counsel for the Debtor: Danowitz Legal, PC, 300 Galleria Parkway, Suite 960, Atlanta, Georgia 30339 or via e-mail at

Edanowitz@DanowitzLegal.com.

III. SUMMARY OF THE CHAPTER 11 PLAN

A. WHAT IS THE PURPOSE OF THE CHAPTER 11 PLAN

The Chapter 11 Plan filed by Debtor places claims and interests in various classes and describes the treatment each class will receive. The claims grouped in a specific class must be substantially similar to each other. The Plan also states whether each class of claims is impaired or unimpaired.² Only claims which are impaired under the Plan may vote on the Plan. If the Plan is confirmed, your recovery will be governed to the amount and payment terms as provided by the Plan.

B. SUMMARY OF CLAIMS

Claims secured by Property of the Estate. When Debtor purchased the Church Property, Debtor borrowed \$1,200,000.00 from Cumberland Presbyterian Church Investment Loan Program, Inc., who holds a first priority deed to secure debt on the Church Property. Debtor was in default and had not made all payments in the manner and amounts provided in the note to this creditor, who filed a secured claim in this case [Claim No. 1] in the amount of \$1,343,983.62. Debtor purchased the Church Property from Williams Way, Inc., and Williams Way, Inc. funded in part the purchase of the Church Property by Debtor, whose deed to secure debt is second in priority after that of Cumberland Presbyterian Church Investment Loan Program. Williams Way, Inc., filed a secured claim [Claim No. 2] in the amount of \$337,969.57.

General Unsecured Claims. Only five claimants filed unsecured claims.³

² The terms “impaired” and “unimpaired” are defined in 1.18 and 1.27, respectively on the DEFINITIONS attached hereto as **Exhibit B**.

³ Two claimants filed general unsecured claims, and Debtor filed three other general unsecured claims as permitted by Bankruptcy Rule 3004.

1. Tennessee Georgia Presbytery of the Cumberland Presbyterian Church has an unsecured claim in the amount of \$31,850.00 [Claims No. 3-4],
2. Georgia Power Company has an unsecured claim in the amount of \$654.58 [Claim No. 5].
3. Steve Kim has an unsecured claim in the amount of \$1,600.00 [Claim No. 6].
4. Crystal Lee has an unsecured claim in the amount of \$1,000.00 [Claim No. 7].
5. Hui O. Kim has an unsecured claim in the amount of \$5,000.00 [Claim No. 8].

Administrative Claims. Debtor has remained current with US Trustee payments during this Case. However, upon confirmation of the Plan, it is anticipated that one or more quarterly payment will become owing to the U.S. Trustee. Quarterly payments are based upon disbursements made by the Debtor. Counsel for Debtor has filed its first interim application for compensation and reimbursement of fees in the amount of \$16,722.56, much of which can be paid out of a pre-petition retainer of \$11,670. A final fee application of several thousand dollars is anticipated through the time of substantial plan confirmation.

B. TREATMENT OF CLAIMS AND EQUITY INTERESTS

Certain types of claims are automatically entitled to specific treatment under the Bankruptcy Code. They are not considered impaired (“unimpaired”), 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 Bankruptcy Code. Debtor is a 503(c) non-profit corporation governed by Trustees and has no equity interests.

1. UNCLASSIFIED CLAIMS

Administrative Expenses: Unimpaired

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. Holders of administrative claims must file their claims within 60 days after the Effective Date of the Plan. The Debtor will pay all administrative claims on the Effective Date of the Plan, as required by the Bankruptcy Code, unless a particular claimant agrees to a different treatment. Anticipated administrative expenses include professionals approved in this Case, and unpaid U.S. Trustee fees, and any post-petition claims filed by claimants and allowed by the Court. Any allowed administrative claims filed after the Effective Date will be paid within sixty (30) days of submission or approval by the Court if required.

2. CLAIMS PLACED IN CLASSES

Class A: Secured Claim of Cumberland Presbyterian Church Investment Loan Program, Inc. CLASS A CLAIMANT IS UNIMPAIRED.

Class B: Secured Claim of Williams' Way, Inc. CLASS B CLAIMANT IS IMPAIRED.

Class C: Allowed General Unsecured Claims. Allowed General Unsecured Claims will be paid in full, subject to the availability of funds after payment of allowed administrative claims. If there are inadequate funds to pay Class C claim in full, then claimants will be paid pro-rata from available funds. CLASS C CLAIMANTS ARE IMPAIRED.

Class D: Deficiency Claims of Undersecured Creditor. CLASS D CLAIMANT IS IMPAIRED.

3. DEFINITIONS

The definitions and rules of construction set forth in §§101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Disclosure Statement and Plan as hereinafter defined. These definitions are supplemented by the definitions listed in the DEFINITIONS attached hereto as **Exhibit B**.

4. ALLOWANCE AND DISALLOWANCE OF CLAIMS

a. Disputed Claims. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

b. Payment of Disputed Claims. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order. The Debtor has the power and authority to settle and compromise a disputed claim with Court approval and in compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

c. Reserve for Disputed Claims. If there are any claims for which an objection has been filed on or before the Effective Date and which have not been resolved by the withdrawal of such objection or by the entry of an order determining the validity and amount of such claim, the Reorganized Debtor will establish a reserve fund to pay such claims in the manner and amount of their classification in this Plan if subsequently allowed by order of the Court.

d. Payment of Resolved Claims. If a claim is not paid according to the terms of the class within which such claim is classified as a result of a pending objection to such claim

and the claim is later deemed to be an allowed claim by a final order of the Court, such claim will be paid in full within 30 days after the entry of a final order approving such claim.

e. Amendments to Claims. A claim may not be amended later than the Confirmation Date, except for amendments to Proofs of Claim to decrease the amount or the priority thereof.

C. PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

ASSUMPTION OF UNEXPIRED LEASES. The Debtor currently has leases with tenants of the Church Property who utilize the Church Property for religious services and functions. These tenants include Iglesia Ni Christo (Church of Christ), Church House of Prayer, and Divinity Church International. Each of these leases will be assumed by the entry of an order confirming Debtor's Plan. The Debtor has agreed to assign each of these leases to Glory Church of Jesus Christ, Inc. as a term of the sale of Debtor's Church Property.

2. REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASE

No other unexpired leases or executory contracts are known, other than that lease described in the preceding paragraph. To the extent there are other unexpired leases or executory contracts, such unexpired leases or executory contracts will be deemed rejected by the entry of a final order confirming the Plan.

IV. MEANS OF IMPLEMENTING THE PLAN

A. THE DEBTOR WILL LIQUIDATE ITS ASSETS AND DISBURSE ALL PROCEEDS TO CREDITORS.

Debtor has entered into a contract to sell the Church Property located at 3840 Summit Ridge Parkway in Duluth Georgia to Glory Church of Jesus Christ, Inc., a California based

Christian Church, for the amount of \$1,450,000.00. While the name of the purchaser is similar to the name used by Debtor, there is no affiliation between Debtor and the purchaser, except that Rev. Heung Lee attended seminary with one of the ministers affiliated with the purchaser. All net proceeds from the sale of the Church Property will go to pay the first priority deed to secure debt in full, with the balance to the second priority deed to secure debt.

Concurrent with the sale of the Church Property Glory Church of Jesus Christ, Inc. will purchase Debtor's personal property, such as furniture, crosses, computers, musical instruments and sound system, for an additional amount of \$50,000.00. Proceed from the sale of personal Church Property will be applied, first, toward the payment of administrative claims, next allowed general unsecured claims, and any remaining amounts to the deficiency claim of holder of the second priority deed to secure debt.

Within 30 days after the Effective Date of the Plan, the Debtor will close its Debtor-in-Possession bank account and the remaining balance will be distributed to claimants in the order described in the preceding paragraph.

B. RISK FACTORS. The proposed purchaser of Debtor's real and personal property has been approved for funding to purchase the properties. The single largest risk is not obtaining bankruptcy court approval for the closing in time for the June 1 closing deadline.

C. PENDING LITIGATION INVOLVING THE DEBTOR

There was no litigation pending against Debtor, and Debtor was not a plaintiff in litigation, when this Case commenced. There have been no adversary proceedings commenced by or against Debtor in this Case and none are anticipated.

D. TAX CONSEQUENCES OF 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 Advisors.

The following are anticipated tax consequences of the Plan: (1) The Debtor is a 501(c) non-profit organization and should suffer no tax consequences as a result of the liquidating Plan.

IV. CONFIRMATION REQUIREMENT AND PROCEDURES

A. GENERAL REQUIREMENTS FOR CONFIRMATION

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; that at least one impaired class of claims must accept the plan, without counting votes of insiders; that 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 that the Plan must be feasible. These requirements are not the only requirements listed in §§1129 and they are not the only requirements for confirmation

As required by the Bankruptcy Code, the Debtor is soliciting acceptance of the Plan by all Impaired Classes of Claim under the Plan. The Plan can be confirmed by the Court if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each impaired class of claims voting on the Plan, and if it is accepted by the holders of two-thirds in amount of interests in each impaired class of equity interests voting on the Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless

confirm the Plan if the Court finds that it accords fair and equitable treatment to the class or classes, provided that the Plan will pay in full superior classes of creditors before inferior classes receive any distribution or retain interests. If the superior classes consent to less than full payment, the Plan may be confirmed even if inferior classes receive distributions or retain interests.

B. ABSOLUTE PRIORITY RULE

Confirmation of Chapter 11 plans is guided by a concept referred to in bankruptcy as the “absolute priority rule”. Simply stated, the absolute priority rule prevents holders of equity interests from retaining Church Property interests under the Plan (1) unless dissenting impaired classes of creditors are paid in full or (2) unless equity holders make a “fresh contribution” to the insolvent enterprise. [See: In re Lett, 632 F.3d 1216 (11th Cir. 2011) for a discussion of the absolute priority rule].

Insiders are retaining no interest in any property of the estate or assets of of the Debtor.

These requirements are the basic requirements needed for the confirmation of a Plan but are not the only requirements listed in §1129, and are not the only requirements for confirmation.

C. THE CONFIRMATION HEARING

The Bankruptcy Code requires the Court, after notice, to hold a hearing on confirmation of the Plan, at which time any party in interest may object to confirmation. Objections to confirmation must be made in writing and filed with the Bankruptcy Court and must be served on counsel for the Debtor before the date scheduled by the Court for the confirmation hearing. Objections to confirmation of the Plan are governed by Bankruptcy

Rule 9014.

The confirmation process is complex. Simply stated, the Plan can be confirmed by the Court if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each impaired class of claims voting on the Plan, or if each impaired class of claims will receive or retain under the Plan Church Property of a value that is not less than they would receive or retain if the Debtor were liquidated under Chapter 7.

D. WHO MAY VOTE OR OBJECT TO CONFIRMATION

As stated above, 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 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. As required by the Bankruptcy Code, the Debtor is soliciting acceptance of the Plan by Impaired Classes of Claims under the Plan.

In this case, the Debtor asserts that Classes B, C, and D are impaired and that holders of claims in each of these classes are entitled to vote to accept or reject the Plan

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. *The deadline for filing a proof of claim in this case was on or before January 20, 2017.*

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 Bankruptcy Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

E. 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 or equity interests in classes that do not receive or retain any value under the Plan;
- 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.

F. VOTES NECESSARY TO CONFIRM THE PLAN

If impaired classes exist the Court can confirm the Plan if (1) at least one impaired class of creditors has accepted the Plan without counting the votes of 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 Disclosure Statement.

1. Votes Necessary for a Class to Accept a Plan

A class of claims accepts a Plan if both 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 of the impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by §1129(b) of the Bankruptcy Code. A plan that binds non-accepting classes is commonly referred to as a “cram down” plan. The Bankruptcy Code allows the Plan to bind non-accepting 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 Bankruptcy 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 the general rule are numerous and complex.

V. EFFECT OF CONFIRMATION OF PLAN

A. NO DISCHARGE OF THE DEBTOR

Confirmation of the Chapter 11 Plan normally discharges the Debtor from any debt that arose before the date of confirmation to the extent specified in §1141(d)(1)(A) of the Bankruptcy Code, except as provided in the Plan or under applicable bankruptcy law.

However, confirmation of the Plan does not result in a discharge of debts if the Plan is a

liquidating plan, or if the Debtor will not continue in business after consummation of the Plan pursuant to §1141(d)(3) of the Bankruptcy Code.

B. REVESTING CHURCH PROPERTY OF THE ESTATE

Confirmation of the Plan would normally vest all Church Property of the estate in the Reorganized Debtor free and clear of claims and interests of creditors and equity security holders. However, in the case of liquidating plans, confirmation of the Plan does not revest Church Property in the Reorganized Debtor pursuant to §1141)(c) of the Code. All Church Property of the bankruptcy estate is being liquidated under the Plan to pay creditors of the Debtor and of the estate.

VI. 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.

It is Debtor's contention that liquidation under Chapter 11 will result in payment to creditors of at least as much as they would receive if the case were converted to Chapter 7 and then liquidated by a Chapter 7 Trustee.

Debtor scheduled its real Church Property as having a value of \$1,750,000 in the Schedule A/B filed in this case [Doc. No. 15.]. While Debtor did not engage a realtor in this Case, prior to the commencement of this the Church Property was listed on the FMLS at \$1,750,000, and there was no interest expressed by anyone at or near the listed price. Debtor proposes to sell the Church Property for \$1,450,000 without the use, and expense, of a realtor. If a realtor was involved and required a 6% commission, the Church Property would

need to sell for \$1,540,000 to pay the realtor and realize the net proceeds anticipated from sale under the pending contract.

Debtor scheduled all of its personal property in Schedule A/B as having a value of \$108,640.00. This value is scheduled as “replacement value” of such items as computers, copiers, furniture, sound system and musical instruments. Replacement value of computers and furniture generally has no correlation to the liquidation of used furniture and computers. Personal Church Property scheduled also included \$7,000.00 in accounts receivable, which accounts were past-due rent from Lessees. Debtor, and Debtor’s counsel, have made demands for payment with no favorable result and have concluded that the receivables are uncollectible. Liquidation of personal property that is property of the estate is not likely to realize anywhere near the replacement value, and the sale of these items for \$50,000.00 is estimated to be more than the amount that a Chapter 7 Trustee would realize; especially after the Trustee would be required to engage and pay an auctioneer and realtor to liquidate the assets.

Conversion to Chapter 7 would also increase the administrative expenses significantly, which would reduce funds available for distribution to creditors.

Debtor suggests that liquidation in the manner proposed by the Plan if fair, reasonable, and likely to result in the greatest payment to claimants.

VII. FEASIBILITY OF PLAN

Except when a Plan is a liquidation plan, the court must find that confirmation of the Plan is not likely to be followed by the liquidation. The Plan is a liquidation plan, so it is, by definition, feasible.

VIII. DEFAULT PROVISIONS

A. GENERAL DEFAULT PROVISIONS: In the event that the Debtor defaults under the provisions of the Plan, any creditor or party-in-interest desiring to assert such a default shall provide the Debtor with written notice of the alleged default. The Debtor shall have 30 days from the receipt of the written notice in which to cure the default. Such notice shall be delivered by certified mail, return receipt requested, to the attorneys for the Debtor at the address stated on the final page hereof. If the default is not cured, any creditor or party-in-interest may thereafter file and serve upon counsel of the Debtor a motion to compel compliance with applicable provisions of the Plan. The Court, upon finding of a material default, shall issue such orders compelling compliance with the pertinent provisions of the Plan or other such relief as determined by the Court.

Notice given by first class U.S. Mail shall be deemed received five (5) business days after placing such notice or written matter in the United States mail properly addressed to the Debtor at the address listed below:

Jesus Mission Church of Atlanta, Inc.
Attn: Rev. Heung Lee
3840 Summit Ridge Parkway
Duluth, GA 30096

With a copy to:

Edward F. Danowitz, Esq.
Danowitz Legal, PC
300 Galleria Parkway Suite 960
Atlanta, GA 30339

IX. GENERAL PROVISIONS

A. FURTHER ACTIONS

Pursuant to the Bankruptcy Code §1142(b), the Order of Confirmation shall operate

as an order of the Court directing the Debtor and any other necessary parties to execute and deliver or join in the execution and delivery of any instrument required to perform any act that is necessary for the consummation of this Plan.

B. CAPTIONS

Section captions used in the Plan are for convenience only, and shall not affect the construction of the Plan.

C. BAR DATES FOR CLAIMS

(1) **Pre-petition claims**: The Court previously set a bar date of January 20, 2017 for creditors to file proofs of claim or interest for pre-petition claims.

(2) **Administrative Expenses**: Upon confirmation of this Plan, **any creditor or party-in-interest who may have a claim for an administrative expense pursuant to §503 of the Bankruptcy Code shall file an application with the court within 30 days after the Effective Date of the Plan** to determine whether such administrative expense shall be allowed in this case. Any creditor or party-in-interest who fails to timely apply to the court for allowance of an administrative expense shall be barred from later submitting such claim and from receiving distributions for the payment of such claim under this Plan.

D. DISPUTED, UNLIQUIDATED AND CONTINGENT CLAIMS

Notwithstanding any other term or condition of this Plan, disputed, unliquidated and contingent Claims shall be paid only upon allowance in accordance with the provisions of §502 of the Bankruptcy Code.

E. JURISDICTION OF THE BANKRUPTCY COURT

After the entry of the Order of Confirmation, the Court will retain jurisdiction only for the following purposes:

(1) To determine the classification and priority of all Claims against or Interests in Debtor and to re-examine any Claims which may have been allowed. The failure by any party-in-interest, initially, to object to or examine any Claims shall not be deemed to be a waiver of any party-in-interest's right to object to, or cause to be re-examined any such Claim, in whole or in part.

(2) To determine applications for the rejection or assumption of executory contracts or unexpired leases pursuant to the provisions of this Plan which are not determined prior to the Confirmation Date and to determine allowance of Claims for damages with respect to rejection of any such executory contracts or unexpired leases within such time as the Court may direct.

(3) To oversee and issue further appropriate orders respecting disbursement of amounts deposited as may be required by this Plan.

(4) To conduct hearings on valuation, as necessary, and to determine whether any party-in-interest is entitled to recover against any Person any Claim, whether arising under §506(c) of the Bankruptcy Code, or otherwise.

(5) To hear and determine all applications for compensation and other Administrative Expenses.

(6) To hear and determine any and all pending adversary proceedings or contested matters.

(7) To determine all causes of action which may exist in favor of the Debtor and/or any of its creditors.

(8) To determine any modification of the Plan after confirmation pursuant to §1127 of the Bankruptcy Code.

(9) To determine all matters and controversies and disputes arising under or in connection with the Plan on the application, disposition or distribution of the property of the estate.

(10) To enter any order, including injunctions, necessary to establish and enforce the rights and powers of the Debtor and/or any of its creditors under the confirmed Plan.

(11) To enter a final decree pursuant to Rule 3022 of the Bankruptcy Rules.

F. MODIFICATION OF THE PLAN

Debtor may amend or modify this Plan at any time prior to the entry of the Order of Confirmation, pursuant to §1127(a) of the Bankruptcy Code. After the entry of the Order of Confirmation, Debtor may, pursuant to §1127(b) and (c) of the Bankruptcy Code and with approval of the Court, modify and amend the Plan in a manner which does not materially or adversely affect the interests of Persons affected by the plan without having to solicit acceptances of such modification, and may take such steps as are necessary to carry out the purpose and effect of the Plan as modified.

G. CLOSING THE CASE

Upon substantial consummation of this Plan, the Debtor will move this Court to enter an order closing this Case. Upon the entry of such order, the Case shall be closed. Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, 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.

X. CONCLUSION

Debtor believes that confirmation of this Chapter 11 Plan is the most reasonable means for making a meaningful distribution to creditors of Jesus Mission Church of Atlanta, Inc. and urges all claimants to vote for the acceptance of this Chapter 11 Plan.

This 22d day of March 2017.

Submitted by
Counsel for Debtor-in-Possession,

/S/ Edward F. Danowitz
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