

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE
THE AMERICAN DREAM TODAY,
INC.,
Debtor

CHAPTER 11
CASE NO. 17-57810-LRC
JUDGE RICHEY CRAIG

DISCLOSURE STATEMENT

I. INTRODUCTION

This is the disclosure statement (the “Disclosure Statement”) in the small business Chapter 11 case of The American Dream Today, Inc. (the “Debtor”). The Debtor commenced this Case on May 1, 2017 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 Chapter 11 Reorganization 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.

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

The following exhibits are attached to this Disclosure Statement and incorporated herein by reference:

Exhibit A: Plan of Reorganization

Exhibit B: Definitions

Exhibit C: Allowed Claims

Exhibit D: Commercial Lease Agreement

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 _____, 2018 at ____ p.m. in Courtroom 1204, at the United States Courthouse, 75 Ted Turner Drive, Atlanta, Georgia 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, Georgia 30303

and also return a copy to:

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

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

Your ballot must be received by March _____, 2018 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 March _____, 2018. 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, P.C. 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 P.C., 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 March ____, 2018.

II. BACKGROUND

A. DESCRIPTION AND HISTORY OF DEBTOR'S BUSINESS

Formation and Purpose: The American Dream Today, Inc. was formed in 2009 by Omar Hakeem as a 501(C)(3) tax exempt charitable organization. The primary purpose of the Debtor is to provide transitional housing, support, and related services to aid the homeless and those on probation or parole in becoming self-sufficient and contributing members of the community.

Transitional Housing. The Debtor has been providing housing and related services out of property located at 1617 South Gordon Road in Atlanta, Georgia. The property is leased from Omar Hakeem, in his capacity as Trustee of the Lynnette Washington, Michelle Gilbert, Omar Hakeem Trust, since shortly after Debtor's formation. The residential property has been

generating monthly revenues of approximately \$4,000.00 during the pendency of this Case, and is projected to continue in the same, or similar, amounts. The Debtor pays monthly rent of \$3,500.00 for the residential facility. The residential facility has seven bedrooms, and houses seven individuals who pay an average of \$550.00 per month for lodging and related services.

Real Property Interests: The Debtor acquired three properties, comprised of four separate tracts, in furtherance of its stated goals of providing transitional housing and related services.

1616 South Gordon Street Atlanta, Georgia. This property was acquired in 2016. The American Dream, Inc. paid \$5,000.00 to the seller, but took the property subject to significant outstanding tax liabilities. This property has been vacant, but is planned for development for residential housing in the future.

1495 Ralph David Abernathy Boulevard SW, Atlanta, Georgia. This property was acquired in 2013 for a purchase price of \$55,000.00. The long term plan for this property is to demolish the existing structure and construct a multi-media center to further Debtor's goals as a community outreach provider. These objectives are not likely to reach fruition for several years; after to payment of claims under the Debtor's Plan.

0 Lucile Avenue SW, Atlanta, Georgia. This property was acquired as a part of the purchase of 1495 Ralph David Abernathy Boulevard SW. No additional consideration was paid for this tract, which has since been renumbered by the City of Atlanta as 1500 Lucile Avenue SW, and is included in the Commercial Lease Agreement with Naturally Yours, LLC, described in greater detail later in this Disclosure Statement. This property has an existing restaurant structure and a lease was signed on February 14, 2018 for use as a restaurant, and is now revenue producing.

1881 Washington Road, in East Point, Georgia. This property was gifted to the Debtor in 2014, subject to significant tax claims against it. This property was previously a restaurant and is intended for future use as a restaurant, but requires upgrades and improvements before this can occur.

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. The Debtor is a non-profit entity, and the directors are insiders. Insiders are (1) Omar Hakeem, (2) Michelle Gilbert, and (3) Pamela Astin. Entities in which these individual insiders hold a controlling interest may also be insiders under a broad definition. These entities include Naturally Yours, LLC, the Lessee of a lease with the Debtor, and The Lynnette Washington, Michelle Gilbert, Omar Hakeem Trust, which owns and leases the residential facility to the Debtor.

C. MANAGEMENT OF THE DEBTOR BEFORE AND DURING THE BANKRUPTCY

Management of the Debtor has been the same prior to and during this Case.

Omar Hakeem is one of the original founders of the Debtor, and a director. Mr. Hakeem is a real estate investor and property manager. Mr. Hakeem oversees the operations of the residential facility, renovation of other properties, and contract negotiations.

Michelle Gilbert is a director, and is primarily responsible for finances and for maintaining the books and records of the Debtor. Ms. Gilbert is a licensed realtor and has held various positions with Delta Airlines, including supervisor, management, and flight attendant.

Pamela Astin is a director, and oversees the daily operations of the residential facility. Ms. Astin is the only compensated director of the Debtor, and she receives a stipend of \$500.00 per month for her services.

No change in management is anticipated or is provided for in the Plan of Reorganization.

D. EVENTS LEADING TO CHAPTER 11 FILING

Several of the Debtor's properties were acquired by the Debtor at substantially reduced cost but with outstanding tax liens attached. The American Dream Today, Inc. was unable to satisfy the various tax liens. At the time of the commencement of this Case, the Fulton County Sheriff has scheduled a tax sale of the property located at 0 Lucile Avenue SW in Atlanta, and notices of other possible tax sales were received.

The threatened tax sales resulted in the Debtor seeking protection under Chapter 11 of the Bankruptcy Code on May 1, 2017. (The Bankruptcy Code, 11 U.S.C. §101 et seq. is referred to herein simply as "the Code.")

E. SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE

Adequate Protection Payments. The property at 1495 Ralph David Abernathy Blvd. is encumbered by a first priority deed to secure debt to Metro Cornerstone, Inc. The Debtor filed a Motion to Use Cash Collateral and to Make Adequate Protection Payment [Doc. No. 12], which the Court approved, and the Debtor has been making adequate protection payments to Metro Cornerstone, Inc. in the contractual amount of \$591.03.

Payment of Property Taxes. Immediately after the commencement of this Case, the Debtor commenced to fund a reserve account for the payment of property taxes, and Debtor was able to pay the full amount of 2017 city and county taxes on property of the estate.

Claim Bar Date and Objections. The Debtor requested, and the Court entered an Order setting a bar date of July 31 2017 for filing claims in this Case [Doc. No. 23]. Claims have been examined, and objections have been.

Commercial Lease of Restaurant Property. The Debtor recently entered into a lease to lease one of its properties for use as a restaurant. The lease will generate income adequate to fund this plan, and is subject to approval

Professionals Approved by the Court. Debtor applied to hire Danowitz Legal, P.C. as Counsel in this Chapter 11 Case [Doc No. 4] and the Court approved this application by order entered on May 19, 2017 [Doc No. 13]. Danowitz Legal, P.C. submitted its *First Interim Application for Compensation and Reimbursement of Expenses* on September 5, 2017 [Doc. No. 30], which was approved by the Court for fees and reimbursement of expense of \$8,974.56 [Doc. No. 33] Danowitz Legal will submit its *Second Interim Application for Compensation and Expenses* at or around the time of a hearing on confirmation of the Plan. Fees and expenses are estimated to be approximately \$10,000.00 and will be subject to approval by the Court upon Applications. Debtor has retained no other professionals during the course of this Chapter 11 case.

Other Significant Events. A summary of the timely filed and allowed claims scheduled or filed attached as **Exhibit "C"**. This figure could change based upon amendments to existing claims or objections later filed by the Debtor.

F. PROJECTED RECOVERY OF AVOIDABLE TRANSFERS

The Debtor has examined payments made within 90 days of the Petition Date, and payments to insiders within 12 months of the Petition Date. Debtor does not know of any other potentially avoidable transfers and does not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

G. CURRENT AND HISTORICAL FINANCIAL CONDITIONS

During the twelve-month period of July 1, 2014 to June 30, 2015, The American Dream Today, Inc. had gross revenues of \$171,650.00. During the twelve-month period of July 1, 2015 to June 30, 2016, the American Dream Today, Inc. had gross revenues of \$94,447.00. During the 10-month period beginning July 1, 2016 and ending on the petition date of May 1, 2017, The American Dream Today, Inc. registered gross revenues of \$47,394.00.

During the nine full months that Debtor has filed operating reports in Chapter 11, total revenues have been \$42,226.00, for an average of \$4,580.67 per month.

The following is a summary in revenue, expenses and income during this Case:

Period	Revenue	Expenses	Income
May 2017	\$6,000.00	\$5,944.00	\$56.00
June 2017	\$4,061.00	\$3,998.00	\$63.00
July 2017	\$5,240.00	\$4,938.00	\$302.00
August 2017	\$3,505.00	\$3,930.00	(\$425.00)
September 2017	\$3,722.00	\$3,628.00	\$94.00
October 2017	\$4,146.00	\$4,223.00	(\$77.00)
November 2017	\$4,425.00	\$4,497.00	(\$72.00)
December 2017	\$3,027.00	\$2,940.00	\$87.00
January 2018	\$7,100.00	\$6,561.00	\$539.00
Total	\$42,266.00	\$40,659.00	\$567.00
Monthly Average	4,580.67	\$4,517.67	\$63.00

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 PLAN OF REORGANIZATION AND

A. WHAT IS THE PURPOSE OF THE PLAN OF REORGANIZATION?

As required by the Bankruptcy Code, the Plan places claims and equity 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 or equity interests is impaired or unimpaired.¹ 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. 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.

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

¹ The terms “impaired” and “unimpaired” are defined in 1.18 and 1.27, respectively on the DEFINITIONS attached hereto as **Exhibit B**.

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 (60) days of submission or approval by the Court if required.

2. CLAIMS PLACED IN CLASSES

Class A: Priority Tax Claims

Priority tax claims are unsecured claims by governmental entities for income, employment, and other taxes described by § 507(a)(8) of the Bankruptcy Code. Allowed Priority tax claims will be paid in full, with interest at the statutory rate, within 60 months after the entry of the Order for Relief. CLASS A CLAIMANTS ARE UNIMPAIRED.

Class B: Allowed Secured Claims arising from Deeds to Secure Debt

Allowed General Unsecured Claims will be paid the amount required under the loan documents giving rise to their security interest in property of the estate. The Class B Claimant will retain its lien rights to the same extent, validity, and priority as existed on the date this case was commenced. CLASS B CLAIMANTS ARE UNIMPAIRED.

Class C: Allowed Secured Claims arising from statutory liens

Allowed secured claims arising from statutory liens will be paid in full, with interest, after the payment of class A priority tax liens. Class C claimants will retain their lien rights to the same extent, validity, and priority as existed at the commencement of this Case. CLASS C CLAIMANTS ARE IMPAIRED.

Class D: General Unsecured Claims

Claimants in this Class will be paid the full amount of the allowed principal claim after payment of all other allowed claims through the Plan. CLASS D CLAIMANTS ARE 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

1. ASSUMPTION OF LEASES. The Debtor entered into a Commercial Lease Agreement with Naturally Yours, LLC on February 14, 2018 to lease restaurant property at 1500 Lucile Avenue in Atlanta, and will be paid monthly lease payments of \$1,500.00. The lease term is from March 1, 2018 through February 28, 2023. A true and correct copy of the Commercial Lease Agreement is annexed hereto as **Exhibit D**. The Debtor also has an oral lease with Omar Hakeem, Trustee of the Lynnette Washington, Michelle Gilbert and Omar Hakeem Trust, to lease the facility at 1617 South Gordon Road that offers transitional housing. These two leases will be assumed upon the entry of a final order confirming the Plan.

2. REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES. 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. FUNDING PLAN AND REORGANIZED DEBTOR MANAGEMENT.

The Plan will be funded from rental income paid to the reorganized Debtor under the Commercial Lease Agreement with Naturally Yours, LLC, described in the preceding section of this Disclosure Statement.

A more detailed description of the funding is found in the section entitled “Feasibility” below.

B. RISK FACTORS. There is always some risk associated with a Plan of Reorganization. In this instance, the only real risk is a breach of the Commercial Lease Agreement with Naturally Yours, LLC. There are no other significant risk factors to funding the Plan.

C. 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.

Plan payments may be considered as income by the Internal Revenue Service and, if so, subject to payment of income taxes.

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 of the Code 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. LIQUIDATION ANALYSIS

To confirm the Plan, the Court must find that all classes of impaired claims have (1) accepted the plan, or (2) will receive value, as of the effective date of the Plan, that is not less than they would receive if the Debtor were to be liquidated under Chapter 7 on as such date. Allowed claims will be paid in full through the Plan, so Debtor represents that the Plan complies with this requirement.

C. 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 property interests under the Plan (1) unless dissenting impaired classes of creditors are paid in full or (2) unless equity interests 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]. If any class of impaired claimants fails to vote in favor of the Plan, then the absolute priority rule becomes a factor.

As a 501(c)(3) not for profit corporation, the Debtor has no equity interests; only directors.

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.

D. 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 property of a value that is not less than they would receive or retain if the Debtor were liquidated under Chapter 7.

E. 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 believes that *Classes C & D* are impaired and that holder of claims in each of these classes are therefore 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 July 31, 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.

F. 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.

G. 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 Section B.2.

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. DISCHARGE OF THE DEBTOR

Confirmation of the Plan also 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, the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in §1141(d)(6)(A) if a timely complaint was filed in accordance with Bankruptcy Rule 4007(c), or (iii) of a kind specified in §1141(d)(6)(B). After the Effective Date of the Plan claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. REVESTING PROPERTY OF THE ESTATE

Confirmation of the Plan vests all property of the estate in the Reorganized Debtor free and clear of claims and interests of creditors and equity security holders, unless otherwise provided in the Plan.

VI. FEASIBILITY OF PLAN

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.

Operating reports filed with the Court show that the Debtor has operated during the pendency of this Case on a break-even basis, with a slight positive cash flow. The funding of the

Plan will be from future rental income and, if any real property of the Debtor is sold, from the net proceeds of any such sale.

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.

B. DEFAULT PROVISIONS FOR TAXES: The Reorganized Debtor is required to timely file all statutory tax returns, and timely make all tax deposits and payments during the life of the Plan. Failure to adhere to any of the above requirements will be considered an event of default. Should an event of default occur, the taxing authority alleging default shall provide the Debtor with written notice of any default under the Plan. If the Debtor fails to cure any default within fifteen (15) calendar days following receipt of written notice of such default, then the entire tax debt still owed to the taxing authority shall become due and payable immediately, and the taxing may collect these unpaid tax liabilities through the administrative collection provisions of the Internal Revenue Code or state law. Any notice to be given or other written matter to be delivered pursuant to this Plan may be given by way of certified mail, return receipt requested,

statutory overnight delivery, or by first class United States Mail. 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:

The American Dream Today, Inc.
Attn: Omar Hakeem
2546 Bradford Square NE
Atlanta, GA 30345-1300

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 July 31, 2017 for creditors to file proofs of claim or interest for pre-petition claims [Doc. No. 22]. Any claim not timely filed will be disallowed, unless otherwise allowed pursuant to an order from this Court expressly allowing such late filed claim(s).

(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 60 days from 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 the 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 Estate Property.

(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

The 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

The Debtor believes that confirmation of this Plan of Reorganization is the most reasonable means for making a meaningful distribution to creditors of The American Dream Today, Inc., and the Debtor urges all claimants to vote for the acceptance of this Plan of Reorganization.

This 22nd day of February 2018.

Counsel for Debtor-in-Possession,

/S/ Edward F. Danowitz

Edward F. Danowitz

Ga. Bar No. 003180

Edanowitz@danowitzlegal.com

Danowitz Legal, P.C.
300 Galleria Parkway
Suite 960
Atlanta, Georgia 30339
770-933-0960

CERTIFICATE OF SERVICE

I, Edward F. Danowitz, certify that I am over 18 years of age, and that on February 22, 2018, I served a copy of the foregoing *Debtor's Disclosure Statement* by first class United States Mail with adequate prepaid postage to the United States Trustee and all parties requesting notice via U.S. First Class mail, with proper postage affixed, to:

Lindsay P.S Kolba, Esq.
Office of the United States Trustee
362 Richard Russell Building
75 Ted Turner Dr. SW
Atlanta, GA 30303

Omar Hakeem, CEO
The American Dream Today, Inc.
2546 Bradford Square NE
Atlanta, GA 30345-1300

This 22nd day of February 2018.

/S/ Edward F. Danowitz
Edward F. Danowitz
Ga Bar No. 003180

Danowitz Legal, P.C.
300 Galleria Parkway NW
Suite 960
Atlanta, GA 30339
770-933-0960