

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:) CHAPTER 11
)
DTD INVESTMENTS, LLC,) CASE NO. 14 B 6772
)
DEBTOR.) HONORABLE JUDGE CASSLING

THIRD AMENDED DISCLOSURE STATEMENT
OF
DTD INVESTMENTS, LLC

DTD INVESTMENTS, LLC, Debtor and Debtor-in-Possession, hereinafter referred to as the "DEBTOR", provides this Third Amended Disclosure Statement to its creditors and other parties in interest as required under the provisions of Section 1125 of the Bankruptcy Code (11 U.S.C. 1125) in conjunction with its Fourth Amended Plan of Reorganization, hereinafter referred to as "DEBTOR'S FOURTH AMENDED PLAN" or "FOURTH AMENDED PLAN", filed on August 22, 2016. This Third Amended Disclosure Statement contains information regarding the Debtor and describes the Debtor's Fourth Amended Plan. A copy of the Debtor's Fourth Amended Plan accompanies this Third Amended Disclosure Statement.

YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THIS THIRD AMENDED DISCLOSURE STATEMENT AND FOURTH AMENDED PLAN OF REORGANIZATION CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

I.

INTRODUCTION

The Debtor, DTD INVESTMENTS, LLC, owns numerous real estate properties, including eight commercial buildings, all of which are located in Crest Hill, Illinois. The Debtor maintains its principal place of business at 2121 Oneida Street, Suite 402, in Joliet, Illinois. In addition to the aforesaid properties, the Debtor had scheduled a partial interest in entities owning 23 acres of vacant land located in Plano, Illinois and a retail center and four (4) acres of vacant land located in Yorkville, Illinois. Post-Petition, the Plano, Illinois property was foreclosed and sold at a Sheriff's Sale to Mitchell Drive, LLC. The Debtor's liability regarding the loan deficiencies affecting the property have been resolved by the Mitchell Drive, LLC settlement as described herein.

Five of the Debtor's commercial properties commonly known as 2100 Weber Road and 1715, 1716, 1719, and 1724 Tomich Court in Crest Hill, Illinois are collateral for the Debtor's outstanding loan with Heartland Bank and Trust Company, hereinafter referred to as "HEARTLAND BANK", in the approximate amount of \$2,476,000.00.

Standard Bank and Trust Company, hereinafter referred to as "STANDARD BANK", holds a security interest in the Debtor's three remaining commercial buildings located at 2200-2208, 2400-2408, and 2500 Weber Road in Crest Hill, Illinois in the approximate amount of \$2,740,000.00. Standard Bank also maintains a secured

claim in the approximate amount of \$6,700,000.00 secured by a retail center and four acres of vacant land located in Yorkville, Illinois, owned by Crestlake Holdings, LLC, an Illinois limited liability company, in which the Debtor maintains a 33-1/3% ownership interest.

Under the Fourth Amended Plan proposed by the Debtor, the Debtor will continue to manage its properties and will make the payments to its secured creditors from monies generated from the rental income generated by its commercial buildings.

The Debtor, DTD INVESTMENTS, LLC, has also listed priority claims for assessments due the Internal Revenue Service and for real estate taxes owed on properties which are pledged as security towards the debt owed to Heartland Bank.

The Debtor's Fourth Amended Plan proposes that the assessments due the Internal Revenue Service (IRS) in the approximate amount of \$335.39 shall be paid in full, without interest, within 30 days of confirmation. The IRS had originally filed its Proof of Claim alleging a balance due in the approximate amount of \$11,561.75 relating to the untimely payment and filing of the Debtor's Form 941 Employer Quarterly Tax Returns for the 2014 taxable year. The alleged debt was the result of submitted payments and Quarterly Tax Returns for the 2014 taxes being rejected by the IRS. This problem occurred at a time when the Debtor was switching the handling of payment of the taxes from a payroll processing service to making those payments itself. Through negotiations with the IRS, the filing of all missing

Quarterly Tax Returns, and acceptance of the previously made payments, the IRS has subsequently filed its Amended Proof of Claim reflecting a current balance due in the amount of \$335.39.

At the time of the filing of the Debtor's Petition for Relief herein, the Debtor, DTD, had included a liability for real estate taxes affecting the Debtor's properties subject to the Heartland Bank loans, which properties had two (2) separate P.I. N.s, 11-04-32-100-006-0000 and 11-04-31-216-023-0000, (hereinafter referred to as the "006 Property" and the "023 Property", respectively). The Debtor initially estimated said tax liability to be a total of approximately \$110,500.00.

Post-Petition, the Debtor, DTD, has determined outstanding real estate taxes to be in the amount of \$41,490.69 for 2012 taxes affecting the 023 Property and 2013 and 2014 taxes affecting both parcels to be in the total amount of \$142,786.32. Currently, there is outstanding tax liability for the year 2015 in the amount of \$63,923.22, creating a total real estate tax liability which combined with 2012, 2013, and 2014 in the amount of \$248,200.23.

During the pendency of these proceedings, Dean A. Tomich has individually paid into Heartland Bank's tax escrow account the sum of \$24,000.00. The Debtor also has credits for rents collected by the Bank in the amount of \$48,133.64 and funds escrowed Post-Petition into the Bank's tax escrow account in the amount of \$100,795.79, for a total credit in the amount of \$172,929.43.

On June 6, 2016, Heartland Bank redeemed the 2012 taxes

affecting the 023 Property with a payment of \$41,490.69, leaving 2013, 2014, and 2015 as the taxable years currently due in the amount of \$206,709.54. After deducting the \$41,490.69 amount from available escrowed funds, Heartland Bank is currently holding \$131,438.74 to be applied to the remaining balance of \$206,709.54, leaving a shortage of \$75,270.80. A breakdown of the above is as follows:

FULL AMOUNT OF TAXES OWED

023 Property: 2012 Taxes		\$ 41,490.69
023 Property: 2013 and 2014 Taxes	\$ 88,359.06	
006 Property: 2013 and 2014 Taxes	<u>\$ 54,427.26</u>	
	\$142,786.32	\$142,786.32
023 Property: 2015 Taxes	\$ 43,970.16	
006 Property: 2015 Taxes	<u>\$ 19,953.06</u>	
	\$ 63,923.22	<u>\$ 63,923.22</u>
TOTAL TAXES OUTSTANDING		\$248,200.23

ON DEPOSIT WITH HEARTLAND BANK

Disputed Rents	\$ 48,133.64	
Payment by Dean A. Tomich	<u>\$ 24,000.00</u>	
	\$ 72,133.64	\$ 72,133.64
Escrow Balance as of June 9, 2016	\$ 93,995.79	
Est. Deposits for July and August	<u>\$ 6,800.00</u>	
	\$100,795.79	<u>\$100,795.79</u>
FUNDS AVAILABLE		\$172,929.43
LESS: Payment Made by Heartland to Redeem 2012 Taxes		<u>\$ 41,490.69</u>
CURRENT FUNDS AVAILABLE		\$131,438.74

The Debtor, DTD, and Heartland Bank have agreed to the payment of the 2013 and 2014 real estate taxes affecting both par-

cels by applying the remaining escrowed funds of \$131,438.74 with \$11,347.58 to be paid by Dean A. Tomich, individually, within 60 days of confirmation to satisfy the entire 2013 and 2014 real estate tax liability of \$142,786.32. An agreement has also been reached with the Bank that the Debtor's membership interest in Cobalt, LLC will be sold, with the proceeds therefrom used to satisfy any real estate tax liability shortage for 2015 real estate taxes, after application of funds escrowed by the Bank to be paid within 270 days of confirmation. In the event the Cobalt, LLC property is not sold within said time period, then Dean A. Tomich, individually, shall be responsible to pay any tax shortage due and owing after application of any tax escrowed funds. Currently the Debtor's 2015 real estate tax liability for the 006 and 023 Properties is in the amount of \$63,923.72.

The Debtor has scheduled general unsecured claims of approximately seven (7) Claimants in the total amount of approximately \$1,010,000.00. The Debtor's proposed Fourth Amended Plan provides for semi-annual payments of \$15,000.00 each in the first year, \$18,000.00 each in years two through four, and \$21,000.00 each in the fifth and final year. The first payment of \$15,000.00 will be due 180 days after confirmation. All payments shall be without interest and paid on a pro-rata basis.

The Debtor has scheduled the unsecured claim of Donald Tomich, Sr. in the approximate amount of \$115,600.00, which claim Mr. Tomich has agreed to waive.

The Debtor has also scheduled the equity interest holders

claims of Dean A. Tomich and Donald Tomich, Jr. As equity interest holders, neither will receive any compensation for their services as property managers of the Debtor's properties until completion of the Fourth Amended Plan. Dean A. Tomich and Donald Tomich, JR. will contribute the total sum of \$24,000.00 per year from their personal funds to be applied towards the real estate taxes affecting Standard Bank's properties commencing with the taxable year 2015. Further, Dean A. Tomich, individually, shall contribute the sum of \$15,000.00 within 90 days of confirmation to be paid to Heartland Bank towards real estate taxes previously paid by the Bank. Also, Dean A. Tomich shall pay any 2015 real estate tax shortage affecting the Bank's properties within 270 days of confirmation in the event the Cobalt, LLC investment property is not sold to generate funds to satisfy the tax obligations within said time period.

The proposed distributions under the Fourth Amended Plan of the Debtor are discussed below. General unsecured creditors are classified in Class 6 and will receive a distribution of approximately 18% of their allowed claims. Treatment of all claimants under the Debtor's proposed Fourth Amended Plan is as follows:

UNCLASSIFIED ADMINISTRATIVE CLAIMS: Under the terms of the Fourth Amended Plan of Reorganization, Unclassified Administrative Claims will consist of all Unclassified Administrative Claims entitled to priority pursuant to Section 507(a)(1) and (2) and 502(f) and 503(b) of the Bankruptcy Code. Unclassified Administrative Claims are unimpaired (See: 11 U.S.C., Section

1127) under the Debtor's Fourth Amended Plan and are entitled to be paid in full and in cash within thirty (30) days of confirmation of the Fourth Amended Plan unless the holder of such claim has agreed to a different treatment.

The Debtor estimates that there will be the following Unclassified Administrative Claims at the time of Confirmation:

<u>CLAIMANTS</u>	<u>AMOUNT</u>
(1) Professional fees:	
(a) ROUSKEY AND BALDACCI	\$90,000.00
(2) U. S. Trustee Quarterly Fee	\$ -0-
(3) Court Costs	<u>\$ Unknown</u>
TOTAL	\$90,000.00

CLASS 1 - ALLOWED PRIORITY CLAIM: Under the terms of the Debtor's Fourth Amended Plan, Class 1 Claims will consist of the Allowed Priority Claim of the Internal Revenue Service in the approximate amount of \$335.39, which is impaired under the terms of the Debtor's Fourth Amended Plan. Class 1 Claims will be paid in full, without interest, within thirty (30) days of confirmation.

The Debtor estimates that the Internal Revenue Service's Allowed Priority Claim will be the following at the time of Confirmation:

<u>CLAIMANT</u>	<u>AMOUNT</u>
INTERNAL REVENUE SERVICE	\$335.39

CLASS 2 - ALLOWED SECURED PRIORITY CLAIM: Under the terms of the Debtor's Fourth Amended Plan, Class 2 Claims will consist of

the Allowed Secured Priority Claim of the Will County Treasurer. Class 2 Claims will be paid in full and in cash as follows: real estate taxes for the taxable years 2013 and 2014 in the total amount of \$142,786.32 shall be paid from proceeds currently held by Heartland Bank in the amount of \$131,438.74 together with the additional sum of \$11,347.58 being paid by Dean A. Tomich, individually, within 60 days of confirmation. The real estate taxes for the year 2015 in the current amount of \$63,923.22 will be paid from available tax escrowed funds deposited with Heartland Bank together with the proceeds received from the sale of the Cobalt, LLC property within 270 days of confirmation. In the event the Cobalt, LLC property is not sold within said 270-day period, then Dean A. Tomich, individually, shall be responsible to pay any tax shortage due and owing, after application of any tax escrowed funds, within 270 days of confirmation. Interest on said assessments and taxes shall be paid pursuant to Statute.

The Debtor estimates that the Will County Treasurer's Allowed Secured Priority Claim will be the following at the time of Confirmation:

<u>CLAIMANT</u>	<u>AMOUNT</u>
WILL COUNTY TREASURER	\$206,709.54

CLASS 3 - ALLOWED SECURED CLAIM: Under the terms of the Debtor's Fourth Amended Plan, Class 3 Claims will consist of the Allowed Secured Claim of Heartland Bank in the approximate amount of \$2,476,000.00, which is impaired under the terms of the Deb-

tor's Fourth Amended Plan. Heartland Bank maintains a security interest in five (5) commercial buildings owned and managed by the Debtor. The first building is located at 2100 Weber Road in Crest Hill, Illinois. The other four (4) buildings are located at 1715, 1716, 1719, and 1724 Tomich Court, in Crest Hill, Illinois. Current monthly rental income generated from those properties is in the amount of \$22,973.83.

A June 13, 2014 appraisal of the subject premises indicates the properties to have a combined value of \$2,950,000.00. The Debtor will make payments to the Bank in the amount of \$19,711.71 per month, which amount includes a monthly payment of real estate taxes held in escrow by the Bank in the amount of \$5,500.00. Monthly insurance costs on the properties are in the amount of \$681.00, and the Debtor reasonably estimates its monthly operational expenses in relation to Heartland Bank's secured property to be \$3,000.00. The property is currently 92% leased. The Debtor's aggregate monthly expenses which include the debt service on the secured loans, operational expenses, and insurance total \$21,841.22, leaving a monthly surplus of just over \$1,000.00.

The Debtor shall make monthly payments to Heartland Bank in the amount of \$14,211.71 together with a monthly payment of \$5,500.00 representing one-twelfth (1/12th) of the annual real estate taxes affecting the subject premises for a period of 24 months with a final balloon payment on the 25th month by which time the remaining principal balance on the secured loans will be

fully satisfied. It is the Debtor's intention to satisfy said loans by either re-financing the properties or through a sale of the subject premises. The Debtor projects the principal balance due on the subject secured loans at the time of the balloon payment to be in the approximate amount of \$2,450,000.00. The Debtor shall maintain insurance on all of the Bank's collateral. Heartland Bank shall retain a security interest in all of its collateral until all payments are made in full. All other terms of the Notes and Security Agreements executed between the Debtor and the Claimant, other than payment terms, shall remain in full force and effect.

As an additional assurance to Heartland Bank, the Debtor, upon confirmation, will deposit with the Bank a Deed to the subject property conveying its interest in the property to be delivered to the Bank in the event of any of the following:

- (A) A default by the Debtor of any of the monthly installments due hereunder by more than 30 days from its due date.
- (B) A failure by the Debtor to re-finance or sell the subject property to satisfy the outstanding obligations of the Bank within 25 months of the date of confirmation.
- (C) A failure by the Debtor to maintain insurance upon the subject premises.

Upon occurrence of any of the above conditions, Heartland Bank

shall be allowed to record its escrowed Deed to terminate the Debtor's interest in the collateral.

The Debtor estimates that Heartland Bank's Allowed Secured Claim will be the following at the time of Confirmation:

<u>CLAIMANT</u>	<u>AMOUNT</u>
HEARTLAND BANK AND TRUST COMPANY	\$2,476,000.00

CLASS 4 - ALLOWED SECURED CLAIM: Under the terms of the Debtor's Fourth Amended Plan, Class 4 Claims will consist of the Allowed Secured Claim of Standard Bank in the approximate amount of \$2,740,000.00, which is impaired under the terms of the Debtor's Fourth Amended Plan. Standard Bank's claims against the Debtor are secured by a first mortgage on the Debtor's properties in the approximate amount of \$2,130,000.00 and a second mortgage which cross-collateralizes Notes owed by Crestlake Holdings, LLC in the approximate amount of \$5,700,000.00. The Debtor maintains a 33-1/3% ownership interest in Crestlake Holdings, LLC.

The Debtor has valued the property located at 2200, 2240, and 2250 Weber Road in Crest Hill, Illinois, at \$2,750,000.00. The property consists of three (3) commercial buildings. The first, located at 2200 Weber Road, is a 7,000 square foot professional office building containing five units of which four are currently leased. The property located at 2240 Weber Road is a 9,900 square foot professional office building containing four units of which three are currently leased. The third building located at 2250 Weber Road is also an office building consisting

of 4,200 square feet, containing two units, and is fully leased. Currently, those properties generate \$27,814.52 in monthly revenue with the potential to generate \$3,000.00 to \$4,000.00 per month in additional income upon leasing the current vacancies.

The Debtor shall execute a new Note and Mortgage replacing the Bank's current existing Notes and Mortgages in the amount of \$2,740,000.00 amortized over a period of 20 years at 5-1/2% interest with a monthly payment of principal and interest in the amount of \$18,848.11. The principals of the Debtor, Dean A. Tomich and Donald Tomich, Jr., shall pay the total sum of \$24,000.00 per year from personal funds towards the real estate taxes affecting the subject property commencing with the taxable year 2015. Payments shall continue for a period of 36 months with a final balloon payment due on the 37th month in the approximate amount of \$2,494,426.08. The Debtor shall maintain insurance on all of the Bank's collateral and pay real estate taxes promptly when the same become due. Standard Bank shall retain a security interest in all of its collateral until all payments are made in full. The balance of Standard Bank's claim in the amount of \$250,000.00 shall be paid as a Class 6 general unsecured claim.

The Debtor estimates that Standard Bank's Allowed Secured Claim will be the following at the time of Confirmation:

<u>CLAIMANTS</u>	<u>AMOUNT</u>
STANDARD BANK AND TRUST COMPANY	\$2,740,000.00

CLASS 5 - ALLOWED SECURED CLAIM: Under the terms of the Debtor's Fourth Amended Plan, Class 5 Claims will consist of the Allowed Secured Claim of Mitchell Drive, LLC, hereinafter referred to as "MITCHELL DRIVE", which claim is impaired under the terms of the Debtor's Fourth Amended Plan. Pursuant to the terms of the parties' agreement, as approved by this Honorable Court on March 29, 2016, Mitchell Drive shall receive a total payment of \$250,000.00 as follows: payment of \$100,000.00 within seven (7) days of the filing of the Ballots by Heartland Bank, Mitchell Drive, LLC, and Standard Bank approving the Debtor's Fourth Amended Plan, with the balance of \$150,000.00 to be paid in monthly installments at a rate of 5% interest on a 27-year amortization schedule with a balloon payment of the remaining balance due 30 months following confirmation of the Debtor's Fourth Amended Plan. Said monthly payment shall be in the amount of \$844.56 and shall commence on May 19, 2016. The \$150,000.00 balance shall be secured with a mortgage lien on the Debtor's real estate located at 2100 Weber Road and 1715, 1716, 1719 and 1724 Tomich Court in Crest Hill, Illinois. Mitchell Drive shall release its mortgage currently existing on the property located at 2200, 2400, and 2500 Weber Road, Crest Hill, Illinois.

The Debtor estimates that Mitchell Drive, LLC's Allowed Secured Claim will be the following at the time of Confirmation:

<u>CLAIMANTS</u>	<u>AMOUNT</u>
MITCHELL DRIVE, LLC	\$250,000.00

CLASS 6 - UNSECURED GENERAL CLAIMS: Under the terms of the Debtor's Fourth Amended Plan, Class 6 Claims will consist of the unsecured general claims and are impaired under the terms of the Debtor's Fourth Amended Plan. Class 6 currently consists of approximately seven (7) Claimants and totals approximately \$1,010,000.00. Class 6 Claimants shall be paid in ten (10) semi-annual installments in the amount of \$15,000.00 each for the first year, \$18,000.00 each for years two through four, and \$21,000.00 each for the fifth and final year. The first payment shall be due 180 days after the date of confirmation of the Debtor's Fourth Amended Plan of Reorganization. All installments when made shall total \$180,000.00 and represents approximately 18% of each Claimant's claim. All payments shall be without interest and paid on a pro-rata basis.

The Debtor estimates that there will be the following Class 6 Claims at the time of Confirmation:

<u>NO. OF CLAIMANTS</u>	<u>AMOUNT</u>
7	\$1,010,000.00

CLASS 7 - UNSECURED CLAIM OF DONALD TOMICH, SR.: Under the terms of the Debtor's Fourth Amended Plan, Class 7 Claims will consist of the unsecured claim of Donald Tomich, Sr. and is impaired under the terms of the Debtor's Fourth Amended Plan. Mr. Tomich has waived his claim.

The Debtor estimates that there will be the following Class 7 Claim at the time of Confirmation:

NO. OF CLAIMANTS

AMOUNT

1

\$115,600.00

CLASS 8 - EQUITY INTEREST HOLDER CLAIMS OF DEAN A. TOMICH AND DONALD TOMICH, JR.: As equity interest holders, neither Dean Tomich nor Donald Tomich, Jr. will receive any compensation for their services as property managers of the Debtor's properties until completion of the Fourth Amended Plan. Dean A. Tomich and Donald Tomich, Jr. will contribute the sum of \$24,000.00 per year from their personal funds to be applied towards the real estate taxes affecting Standard Bank's properties commencing with those real estate taxes due for the taxable year 2015. They shall retain their equity ownership in the Debtor, LLC. In addition, Dean A. Tomich shall individually contribute the sum of \$15,000.00 within 90 days of confirmation to be paid to Heartland Bank towards real estate taxes previously paid by the Bank, as well as the sum of \$11,347.58 towards payment of the real estate taxes for 2013 and 2014. Dean A. Tomich shall also pay any 2015 real estate tax shortage affecting the Heartland Bank properties within 270 days of confirmation in the event the Cobalt, LLC investment property is not sold to generate funds to satisfy said tax shortage within said time period.

Under the proposed Fourth Amended Plan of Reorganization, the Debtor will continue to manage its commercial properties. The Debtor will make all payments as required under the terms of the Fourth Amended Plan from profits generated by the rental

income from said commercial properties. In addition, the Debtor shall sell its interest in Cobalt, LLC, and the funds derived from said sale shall be used to pay the Class 2 Claimant.

The Debtor has remained current in debts incurred since the filing of these bankruptcy proceedings. However, the Debtor has incurred administrative expenses which include attorney's fees in the approximate amount of \$90,000.00, and the Debtor believes it will be able to pay these expenses from the revenue generated from the rental income from its commercial properties.

The Debtor has no Pre-Petition Federal or State tax liabilities. The Debtor has remained current in all Post-Petition tax obligations since the filing of these proceedings.

The foregoing is a summary only, and creditors are urged to read the Fourth Amended Plan and the detailed discussion below for a more complete description and explanation.

Exhibits B, C, D, E, F, and G to this Third Amended Disclosure Statement contain the Debtor's projections for the calendar years 2015 through and including 2020. Exhibit H indicates the Debtor's projection of return to creditors in the event the Debtor is liquidated rather than reorganized. Exhibit I contains a summary of the Plan payments proposed by the Debtor.

This Third Amended Disclosure Statement is provided to creditors and other parties in interest for the purpose of divulging "adequate information" concerning the Debtor's Fourth Amended Plan of Reorganization. Adequate information is defined under the Bankruptcy Code as "Information of a kind, and in suf-

ficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, that would enable a hypothetical, reasonable investor, typical of holders of claims or interests of the relevant class to make an informed judgment about the Plan." [11 U.S.C. 1125(a)(1)].

THIS THIRD AMENDED DISCLOSURE STATEMENT, INCLUDING THE EXHIBITS, HAS BEEN PREPARED BY THE DEBTOR WITH ASSISTANCE FROM ITS ATTORNEY. THIS THIRD AMENDED DISCLOSURE STATEMENT IS EXPRESSLY SUBJECT TO THE DEBTOR'S STATEMENT OF LIMITATION OF REPRESENTATIONS ATTACHED HERETO AS EXHIBIT "A".

A. GENERAL OVERVIEW

The Debtor, DTD INVESTMENTS, LLC, is in the business of developing and managing commercial real estate properties. The Debtor has projected its future income on anticipated rental receipts. The Debtor believes that under its proposed Fourth Amended Plan it will be able to make all Plan payments as scheduled.

Future profits generated by the Debtor will be deposited into a segregated account, hereinafter referred to as the "DTD Investments Plan Account" for the purpose of distribution under the Debtor's Fourth Amended Plan. Payments will be made by the Debtor as Reorganized Debtor. The Debtor will continue its business operations throughout the reorganization.

Throughout these proceedings, the Debtor has remained current in all of its trade payables and its Federal and State tax obligations. In addition, the Debtor's current figures would

indicate annual revenue of approximately \$621,160.00. The Debtor has maintained a Post-Petition profit of approximately \$16,000.00 as of June 30, 2016.

Upon confirmation of the Fourth Amended Plan, administrative claims consisting of professional fees will be paid in full from funds generated by the Debtor's business. Those claims in the approximate amount of \$90,000.00 will be paid by the Debtor upon approval by the Bankruptcy Court.

B. SUMMARY OF TREATMENT OF CLAIMS AND INTERESTS UNDER THE FOURTH AMENDED PLAN

The Fourth Amended Plan of the Debtor provides that all administrative debts incurred by the Debtor after February 27, 2014 (Petition Date) and which remain unpaid at Confirmation (Unclassified Administrative Claims) will be paid in full and in cash from the net proceeds received from the operation of the Debtor's business.

Unclassified Administrative Claims shall be paid in full and in cash within thirty (30) days of confirmation, or thereafter as provided by the Bankruptcy Code, except to the extent that (i) the holder of an Unclassified Administrative Claim has voluntarily agreed to a different treatment of such claim, or (ii) an unpaid Unclassified Administrative Claim is for a trade debt which is not past due and which would be paid by the Debtor after confirmation in the ordinary course of business and according to ordinary business terms. Unclassified Administrative Claims include professional fees to the extent approved by the Court

(estimated at approximately \$90,000.00 in attorney's fees).

Prior to payment of any professional fee, the Court must approve Petitions filed by each professional itemizing said fees. All such fees are subject to review by the Debtor and approval by the Court. The Debtor is current in quarterly fees due the U.S. Trustee's Office which are an administrative expense. Any such fees that may be due upon confirmation will be paid in full.

Allowed Priority Claims. Allowed Priority Claims shall consist of the claim of the Internal Revenue Service in the approximate amount of \$335.39, which claim is impaired under the terms of the Debtor's Fourth Amended Plan. The claim of the Internal Revenue Service shall be paid in full, without interest, within thirty (30) days of confirmation.

Allowed Secured Priority Claims. Allowed Secured Priority Claims shall consist of the claim of the Will County Treasurer in the approximate amount of \$206,709.54, which claim is unimpaired under the terms of the Debtor's Fourth Amended Plan. The claim of the Will County Treasurer for real estate taxes for the years 2013 and 2014, plus any applicable statutory interest accruing thereon, in the approximate amount of \$142,786.32 shall be paid from proceeds currently held by Heartland Bank in the amount of \$131,438.74 together with the additional sum of \$11,347.58 to be paid by Dean A. Tomich, individually, within 60 days of confirmation. The claim for the real estate taxes for the year 2015 in the current amount of \$63,923.22 will be paid from available tax escrowed funds deposited with Heartland Bank together with the

proceeds received from the sale of the Cobalt, LLC property within 270 days of confirmation. In the event the Cobalt, LLC property is not sold within the 270-day time frame, any real estate tax shortage due and owing, after application of any tax escrowed funds, shall be paid by Dean A. Tomich, individually, within 270 days of confirmation.

Allowed Secured Claims. The first Allowed Secured Claim shall consist of the claim of Heartland Bank in the approximate amount of \$2,476,000.00, which claim is impaired under the terms of the Debtor's Fourth Amended Plan. The Bank retains a perfected security interest in five (5) commercial buildings located in Crest Hill, Illinois. The Debtor shall make payments to the Bank in the amount of \$14,211.71, together with a monthly payment of \$5,500.00 representing one-twelfth (1/12th) of the annual real estate taxes affecting the subject premises, for a total monthly payment of \$19,711.71, for a period of 24 months with a final balloon payment on the 25th month estimated to be in the amount of \$2,450,000.00. The Debtor shall maintain insurance on all of the Bank's collateral. Heartland Bank shall retain a security interest in all of its collateral until all payments are made in full. All other terms of the Notes and Security Agreements executed between the Debtor and the Claimant, other than payment terms, shall remain in full force and effect. Further, within 90 days of confirmation, Dean A. Tomich, individually, shall reimburse Heartland Bank the sum of \$15,000.00 for real estate taxes it had previously paid.

The second Allowed Secured Claim shall consist of the claim of Standard Bank in the approximate amount of \$2,740,000.00, which claim is impaired under the terms of the Debtor's Fourth Amended Plan. Standard Bank retains a perfected security interest in three commercial buildings located in Crest Hill, Illinois. The Debtor shall execute a new Note and Mortgage in the principal amount of \$2,740,000.00, secured by the Debtor's three (3) commercial buildings, amortized over a period of 20 years at 5-1/2% interest with a monthly payment of principal and interest in the amount of \$18,848.11 for a period of 36 months with a final balloon payment on the 37th month estimated to be in the amount of \$2,494,426.08. In addition, the principals of the Debtor, Dean A. Tomich and Donald Tomich, Jr., will pay the total sum of \$24,000.00 per year from personal funds to be applied towards the real estate taxes affecting the subject properties commencing with the taxable year 2015. The Debtor shall maintain insurance on all of the Bank's collateral and pay real estate taxes promptly when the same become due. Standard Bank shall retain a security interest in all of its collateral until all payments are made in full. The balance of Standard Bank's claim in the amount of \$250,000.00 shall be paid as a Class 6 general unsecured claim.

The third Allowed Secured Claim shall consist of the claim of Mitchell Drive, LLC, hereinafter referred to as "MITCHELL DRIVE", which claim is impaired under the terms of the Debtor's Fourth Amended Plan. Pursuant to the terms of the parties'

agreement, as approved by this Honorable Court on March 29, 2016, Mitchell Drive shall receive a total payment of \$250,000.00 as follows: payment of \$100,000.00 within seven (7) days of the filing of the Ballots by Heartland Bank, Mitchell Drive, LLC, and Standard Bank approving the Debtor's Fourth Amended Plan, with the balance of \$150,000.00 to be paid in monthly installments at a rate of 5% interest on a 27-year amortization schedule with a balloon payment of the remaining balance due 30 months following confirmation of the Fourth Amended Plan. Said monthly payment shall be in the amount of \$844.56 and shall commence on May 19, 2016. The \$150,000.00 balance shall be secured with a mortgage lien on the Debtor's real estate located at 2100 Weber Road and 1715, 1716, 1719 and 1724 Tomich Court in Crest Hill, Illinois. Mitchell Drive shall release its mortgage currently existing on the property located at 2200, 2400, and 2500 Weber Road, Crest Hill, Illinois.

Unsecured General Claims. The Debtor has currently scheduled approximately seven (7) unsecured general claims totaling approximately \$1,010,000.00, which claims are impaired under the terms of the Debtor's Fourth Amended Plan. Class 6 Claimants shall be paid in ten (10) semi-annual installments in the amount of \$15,000.00 each for the first year, \$18,000.00 each for the second through fourth years, and \$21,000.00 each for the fifth and final year. The first payment shall be due 180 days after the date of confirmation. All installments when made shall total \$180,000.00 and represent approximately 18% of each Claimant's

claim. All payments shall be without interest and paid on a pro-rata basis.

The source of revenue for the payments required herein are from rental receipts received from the Debtor's commercial properties and the sale of its interest in Cobalt, LLC, and are based upon those projections attached to this Third Amended Disclosure Statement as Exhibits B, C, D, E, F, and G.

II.

BACKGROUND, NATURE AND HISTORY OF DEBTOR'S BUSINESS

The Debtor is an Illinois limited liability company incorporated in May of 2003. Its principals are Dean A. Tomich, age 45, as managing member, and his brother, Donald Tomich, Jr., age 48.

The Debtor, DTD, operates on a 12-month calendar year for tax purposes and its accounting is done on a cash basis. In 2012, the Debtor generated gross rents from its Weber Road properties in the amount of \$315,755.00 and \$237,921.00 from the Industrial Park, for a total rental income of \$553,676.00. The Debtor sustained losses in 2012 in the amount of \$34,704.00. In 2013, the Weber Road rental income declined to \$290,799.00, and though the Industrial Park rental increased to \$252,945.00, the Debtor's annual rental income declined to \$543,753.00. Since, however, the rental income for both properties has increased to \$621,160.20. In addition, the Debtor currently receives \$5,033.33 from other rental income related to its sub-lease of

its office building and the property located at 600 S. Weber Road in Crest Hill, Illinois.

Dean A. Tomich graduated from Northern Illinois University in 1992 with a degree in economics. Donald Tomich, Jr. is a high school graduate with over 30 years experience in construction. Upon formation of the company in 2003, the Debtor acquired six acres of vacant land and constructed a retail center at an initial cost of approximately \$3,400,000.00, which the Debtor sold in 2007 for a purchase price of \$7,000,000.00. In 2006, the Debtor acquired the land currently located on Weber Road in Crest Hill, Illinois and began construction of the eight (8) commercial buildings which it currently owns, building one building at a time with construction overseen by Donald Tomich, Jr. The Debtor currently owns eight commercial buildings: three buildings located at 2200-2208, 2240-2248, and 2250 Weber Road in Crest Hill, Illinois, hereinafter referred to as the "WEBER ROAD PROPERTIES", and five buildings located at 2100 Weber Road, 1715, 1716, 1719, and 1724 Tomich Court in Crest Hill, Illinois, hereinafter referred to as the "INDUSTRIAL PARK". The Debtor values the Weber Road Property at \$2,750,000.00 and the Industrial Park at \$2,950,000.00.

The Weber Road Property is security for a Note held by Standard Bank & Trust Company in the approximate amount of \$2,740,000.00 and is pledged as additional security for a junior mortgage for Standard Bank loans made to Crestlake Holdings, LLC in the current approximate amount of \$5,600,000.00. Finally, in

2010, the Debtor also pledged the Weber Road Property as additional security in the acquisition of 23 acres of unimproved commercial property in Plano, Illinois for Plano Partners, LLC to First Community Bank of Plainfield.

In 2006, the Debtor acquired a one-third interest in Crestlake Holdings, LLC formed by the Debtor, Gregory Hill, and Joseph Serena. Crestlake Holdings, LLC acquired real estate located on Route 47 in Yorkville, Illinois, a major thoroughfare leading into Yorkville. As construction of a commercial strip mall was completed on said property, the real estate economic climate began to drastically change with Crestlake Holdings, LLC having difficulty in obtaining commercial leases to fill the units constructed. Accordingly, Crestlake Holdings, LLC was having increasing difficulty in servicing its debt incurred through Standard Bank in the construction and development of the subject real estate.

Almost simultaneously, the Debtor began experiencing difficulties in fully leasing its own real estate (the Weber Road Property and Industrial Park) leading to its recent financial difficulties. After falling behind in payments on the Industrial Park, Heartland Bank & Trust Company filed a Complaint for Foreclosure in State Court, and the Debtor's Petition for Relief under Chapter 11 of the Bankruptcy Code filed herein followed.

The Debtor, DTD, attributes its recent financial difficulties to the following factors:

1. A general decline in the U.S. economy slowing growth in

the commercial real estate market. As the Debtor was unable to lease its Weber Road and Industrial Park properties, the Debtor become delinquent in obligations owed to the respective lenders.

2. The Debtor's own failure to read the long-term effects and duration of the decline in the economy. The Debtor attempted to off-set its own problems in leasing the Weber Road and Industrial Park properties by seeking other projects as set forth below, which themselves became a drain on the Debtor's financial condition.

3. The Debtor's investment of assets and guarantees of loans for other entities which eventually sustained the same financial difficulties experienced by the Debtor. As those assets failed to produce income sufficient to satisfy their obligations, assets were drawn from the Debtor in an effort to save those failing ventures.

DEBTOR'S INTEREST IN OTHER ENTITIES

In 2006, the Debtor, DTD, having recognized significant success in the past in the development of commercial real estate, aggressively sought prime locations for future developments. In furtherance of its growth objective, the Debtor acquired interests in three (3) separate entities. The first of those entities is Crestlake Holdings, LLC, an Illinois limited liability company, of which the Debtor maintains a 33-1/3% interest. Crestlake Holdings, LLC owns and manages a commercial building located in Yorkville, Illinois with an estimated value of

\$2,900,000.00 and four acres of vacant land, also located in Yorkville, Illinois, with an estimated value of \$800,000.00. At the time of the filing of the Debtor's Petition, Crestlake Holdings, LLC owed approximately \$6,700,000.00 to Standard Bank, leaving a negative equity value of approximately \$3,000,000.00. The Debtor has also pledged as additional security for that indebtedness a junior mortgage effectively cross-collateralizing the Crestlake Holdings, LLC loans with its real estate located at 2200, 2400, and 2500 Weber Road and has executed a commercial guaranty to further secure the Crestlake Holdings, LLC obligations.

To satisfy its obligations to Standard Bank on the Crestlake Holdings, LLC Notes, the Debtor has agreed to execute a new mortgage combining its current first mortgage with that secured portion of the second mortgage to Standard Bank in the amount of \$2,740,000.00 at an interest rate of 5.50% amortized over a 20-year period. Standard Bank will also maintain a general unsecured claim in full satisfaction of the Debtor's obligations for the Crestlake Holdings, LLC Notes in the amount of \$250,000.00.

Crestlake Holdings, LLC also owns a fully leased commercial building located at 16151 Weber Road in Crest Hill, Illinois. Said building is subject to an approximate \$3,100,000.00 mortgage securing a loan to Heartland Bank in that amount. The Debtor and Crestlake Holdings, LLC maintain that property to have a value of approximately \$3,400,000.00, is 100% leased, and generates income

sufficient to satisfy the loan obligation. The Debtor previously executed a guarantee of the underlying \$3,100,000.00 Note secured by the aforesaid Mortgage (Heartland Guarantee). That loan with Heartland Bank remains current and is being paid by Crestlake Holdings, LLC pursuant to the terms of the loan obligations.

The Debtor has also scheduled a 13.85% interest in Plano Partners, LLC, an Illinois limited liability company. At the time of the filing of its Schedules, Plano Partners, LLC owned 23 acres of vacant commercial property located in Plano, Illinois, which it acquired in 2007, intending to develop and build. With the downturn in the general real estate market, the interest in and value of the property has significantly declined. The property had a current estimated value of \$2,200,000.00 to \$2,500,000.00 and was secured by an indebtedness in the approximate amount of \$4,300,000.00, leaving a negative equity in excess of \$1,900,000.00. Mitchell Drive, LLC filed a Proof of Claim herein alleging that it was owed approximately \$2,600,000.00 arising from a deficiency judgment from its purchase and foreclosure of the Plano Partners Note and Guarantees from the original lender. The Debtor objected to the Mitchell Drive, LLC claim as more fully set forth below.

The third entity in which the Debtor holds an interest is Cobalt, LLC, an Illinois limited liability company. The Debtor currently holds a 5.10% interest in Cobalt, LLC, which owns 40 acres of vacant commercial real estate located on Route 59 in Will County, Illinois on the outskirts of Joliet, Illinois. That

property is unencumbered, and the Debtor estimates its value to be \$3,000,000.00, with the Debtor's interest being \$150,000.00. The Debtor will sell its interest in Cobalt, LLC within 270 days of confirmation and use the proceeds therefrom to satisfy outstanding real estate tax liabilities for 2015 real estate taxes not covered by its escrowed funds with Heartland Bank.

III.

POST-PETITION FINANCIAL DATA

The Debtor, DTD, is current in all Post-Petition tax liabilities. The Debtor is also current in all Post-Petition obligations and had \$37,102.02 on deposit as of April 30, 2015. The Debtor has current monthly rental income combined from all properties, including its sub-lease of 600 Weber Road to Presence Health, in the amount of \$55,810.90. Current rental income is broken down per property as follows:

A. 600 S. Weber Road	\$ 3,733.33
B. Weber Road Properties	\$26,679.57
C. Industrial Park	\$24,098.33
D. Sub-leases (2121 Oneida Street)	\$ 1,300.00

The Debtor has generated total rental income for the 28 months since the filing of its Petition herein in the amount of \$1,490,745.00 and has based its projections herein on the continuation of its current existing leases of its commercial properties.

The Debtor intends to continue operation of its commercial properties during the duration of its Fourth Amended Plan.

In an effort to increase profitability, the Debtor, DTD, has taken several steps to reduce its overhead. Dean A. Tomich and Donald Tomich, Jr. have agreed to continue to manage the Debtor's Weber Road and Industrial Park properties without compensation throughout the Fourth Amended Plan period. Prior to proposal of the Fourth Amended Plan herein, they had each received a salary of \$2,000.00 per month.

In addition, they shall contribute a total of \$24,000.00 per year from personal funds to be applied towards the real estate tax liabilities for the Weber Road Property to insure the ability of that property to generate income sufficient to satisfy its loan obligations to Standard Bank and to insure profitability of the Debtor to fund its proposed payments to each class of creditors.

Further, the Debtor has sub-leased portions of its office facilities to reduce its own monthly expenses and generate additional revenue to offset the Debtor's office expenses. The sub-lease agreements with Insite Building Services and Unidos Marketing will produce additional monthly revenue of \$500.00 and \$800.00 per month, respectively.

The Debtor is also aggressively seeking new tenants for the current vacancies in the Weber Road Property. If able to fill the two vacant units in said property, the Debtor would antici-

pate increasing its monthly revenue by approximately \$3,800.00. Currently, the Industrial Park property is fully leased.

Finally, the Debtor has reduced its office overhead by reducing its payroll obligations to a single employee by 50% resulting in a monthly reduction of nearly \$2,000.00 in office overhead. That reduction is made possible by the Debtor delegating responsibilities for the management of Crestlake Holdings, LLC to the remaining members of that LLC. Prior to filing its Petition herein, the Debtor had assumed all expenses in regards to the operation and management of the Crestlake Holdings, LLC property, which significantly increased the Debtor's office overhead.

IV.

SCHEDULED ASSETS AND LIABILITIES

A. ASSETS

The Debtor, DTD INVESTMENTS, LLC, filed its Petition for Relief herein on February 27, 2014. With its Petition, the Debtor filed its schedule of property owned and included the description and valuation of all of its assets, which assets became the property of the Debtor's Estate at the time of the filing of the Petition. The values assigned to particular assets are not appraisal values, but instead reflect the Debtor's estimate of the market value of a particular asset at the time of the Petition, unless otherwise stated. These schedules are summarized below.

1. Personal Property. Within its Petition, the Debtor has scheduled personal property consisting of the following:

(a) Vehicles - The Debtor has scheduled a 2007 GMC Savannah G35 Cargo Van with an estimated value of \$5,000.00. Said vehicle is unencumbered.

(b) Miscellaneous Office Supplies and Equipment, Computer System, Copiers, and Telephone System - The Debtor believes the value of said property to be approximately \$10,000.00.

2. Real Estate. The Debtor has scheduled the following real estate with its corresponding estimated value:

(a) 3 commercial buildings consisting of a 7,000 square foot single-story office building located at 2200 Weber Road in Crest Hill, Illinois; a 9,900 square foot single-story office building located at 2240 Weber Road in Crest Hill, Illinois; and a 4,200 square foot single-story office building located at 2250 Weber Road in Crest Hill; \$2,750,000.00.

The foregoing real estate is secured by a first mortgage with an approximate principal balance of \$2,640,000.00 owed to Standard Bank.

(b) 5 commercial buildings consisting of an 8,000 square foot commercial building located at 1715 Tomich Court in Crest Hill, Illinois; an 8,000 square foot commercial building located at 1716 Tomich Court in Crest Hill, Illinois; a 6,600 square foot commercial building located at 1719 Tomich Court in Crest Hill, Illinois; a 9,900 square foot commercial building located at 1724 Tomich Court in Crest Hill, Illinois; and a

14,300 square foot industrial building located at 2100 Weber Road in Crest Hill, Illinois; \$2,950,000.00.

The foregoing real estate is secured by a first mortgage with an approximate principal balance of \$5,768,000.00 owed to Heartland Bank.

3. At the time of the Debtor's filing, the Debtor also scheduled an ownership interest in the following limited liability companies, all companies being engaged in the management and development of commercial real estate:

(a) Cobalt, LLC: At the time of the filing of the Debtor's Schedules, the Debtor listed as an asset its 5.10% ownership interest in Cobalt, LLC. Said LLC holds title to 40 acres of vacant commercial real estate with an estimated value of \$3,000,000.00, with the value of the Debtor's interest being in the amount of \$150,000.00.

(b) Plano Partners, LLC/Claim of Mitchell Drive, LLC: At the time of the filing of the Debtor's Schedules, the Debtor listed as an asset its 13.85% ownership interest in Plano Partners, LLC. Plano Partners, LLC was the owner of 23 acres of vacant commercial real estate purchased in 2008 for approximately \$4,000,000.00 for development by the LLC. The property remains vacant. Robert Wagner is the managing member of that LLC. On March 14, 2014, post-Petition, Robert Wagner also formed Mitchell Drive, LLC. While managing member of both LLC's, Robert Wagner negotiated a purchase of the Notes held by First Community Finan-

cial Bank at a purchase price of \$1,750,000.00. At the time of the purchase, said Notes totaled approximately \$4,300,000.00.

Thereafter, Mitchell Drive, LLC, at Robert Wagner's direction, filed an action to foreclose the subject real estate in the Circuit Court of Kendall County, Illinois as Case Number 2014 CH 257, naming as Defendants: Plano Partners, LLC; the Debtor, DTD Investments, LLC; and the Debtor's principals, Dean A. Tomich and Donald Tomich, Jr. Robert Wagner bid \$1,750,000.00 for the property, has received a Sheriff's Deed, and is currently seeking a deficiency judgment against Dean A. Tomich and Donald Tomich, Jr. in that action. Dean A. Tomich and Donald Tomich, Jr. have filed their objection to said deficiency in the State Court action, which remains pending.

On December 17, 2014, Mitchell Dive, LLC (Wagner) filed its Proof of Claim herein alleging a claim for \$4,549,312.25, of which it alleges \$620,000.00 is secured and \$3,929,312.25 is unsecured.

The Debtor had maintained the entire claim of Mitchell Drive, LLC is without merit for the following reasons:

(i) That from a period of December, 2013 through March 26, 2014, Wagner, while still the managing member of Plano Partners, LLC, negotiated with the Bank to purchase those Notes held by the Bank and secured by the mortgage affecting the subject property, together with all corresponding loan documentation, including the guarantees of said loans made by other members of Plano Partners, LLC, including the Debtor.

(ii) That Robert Wagner paid the Bank the sum of \$1,750,000.00 for those Notes totaling in excess of \$4,000,000.00, and also received a release of his own personal guarantee of those Notes from the Bank.

(iii) The Debtor maintains that the subject property has a current market value in excess of \$2,200,000.00.

(iv) Robert Wagner, on behalf of Mitchell Drive, LLC, bid the sum of \$1,500,000.00 for the subject property, far less than its actual value. Robert Wagner himself had only paid \$1,750,000.00 for those Notes and security documentation he had purchased, \$250,000.00 more than his own bid for the property.

(v) While managing member of Plano Partners, LLC, Robert Wagner acquired the Notes for Mitchell Drive, LLC and failed to communicate his negotiations with the Bank to the Debtor and also failed to disclose to the Debtor his interest in Mitchell Drive, LLC.

(vi) Failed to provide Plano Partners, LLC, with the benefit of his negotiations with the Bank to the detriment of the members of Plano Partners, LLC, and guarantors of the Bank's Notes.

(vii) Used his position as managing member of Plano Partners, LLC to divert the benefit of his negotiations with the Bank to his own profit by forming Mitchell Drive, LLC; and foreclosing on those Notes assigned to Mitchell Drive, LLC by the Bank to acquire \$2,200,000.00 of real estate at a cost to himself of, at most, \$1,750,000.00.

Mitchell Drive, LLC (Wagner) also maintains that it has a perfected security interest by virtue of a Mortgage recorded against the Debtor's Weber Road property located at 2200-2208, 2240-2248, and 2500 Weber Road in Crest Hill, Illinois. On July 15, 2009, the Debtor had executed a Mortgage to secure its interest in the Plano Partners, LLC guarantee with a principal balance not to exceed \$1,421,254.18. That mortgage is junior to the Standard Bank mortgages referenced herein and the Standard Bank loan obligations, which Standard Bank has agreed to reduce herein, and exceeds the Debtor's equity in the property. As stated above, the Debtor maintains Mitchell Drive, LLC has no claim, either secured or unsecured, against the Debtor as the obligations alleged owing by the Debtor are without merit and otherwise should be extinguished.

Notwithstanding the respective positions of each of the parties, the Debtor and Mitchell Drive, LLC have entered into a settlement agreement, as approved by this Honorable Court on March 29, 2016, resolving all issues between the parties. That agreement provides that Mitchell Drive, LLC shall receive a total payment of \$250,000.00 as follows: payment of \$100,000.00 within seven (7) days of the filing of the Ballots by Heartland Bank, Mitchell Drive, LLC, and Standard Bank approving the Debtor's Fourth Amended Plan, with the balance of \$150,000.00 to be paid in monthly installments at a rate of 5% interest on a 27-year amortization schedule with a balloon payment of the remaining balance due 30 months following confirmation of the Debtor's

Fourth Amended Plan. Said monthly payment shall be in the amount of \$844.56 and shall commence on May 19, 2016. The \$150,000.00 balance shall be secured with a mortgage lien on the Debtor's real estate located at 2100 Weber Road and 1715, 1716, 1719, and 1724 Tomich Court in Crest Hill, Illinois. Mitchell Drive, LLC shall release its mortgage currently existing on the property located at 2200, 2400, and 2500 Weber Road in Crest Hill, Illinois.

(c) Crestlake Holdings, LLC: At the time of the filing of the Debtor's Schedules, the Debtor listed its 33-1/3% ownership interest in Crestlake Holdings, LLC. The other members of Crestlake Holdings, LLC include Michael Thornton and Gregory Hill. The Debtor shall transfer its interest to Michael Thornton. Upon said transfer, Standard Bank has agreed to release the Debtor from any liability arising under the Crestlake Holdings, LLC loan obligations.

Said LLC holds title to and manages a retail center located in Yorkville, Illinois with an estimated value of \$2,900,000.00, and four (4) acres of vacant land located in Yorkville, Illinois with an estimated value of \$800,000.00. The retail center and four (4) acres of vacant real estate are encumbered by a perfected security lien in favor of Standard Bank in the approximate amount of \$5,675,000.00. Those claims as to Crestlake Holdings, LLC are also secured by a junior mortgage on the Debtor's real estate located at 2200, 2240, and 2250 Weber Road in Crest Hill, Illinois. Standard Bank and the Debtor agree that there is no

equity in the Crestlake Holdings, LLC real estate, and that the deficiency between the obligations to Standard Bank and the value of the properties is approximately \$2,000,000.00. The Debtor's estimated portion of said liability is \$666,667.00, which liability will be treated as a general unsecured Class 5 Claim to be in the amount of \$250,000.00.

Crestlake Holdings, LLC also owns a fully leased commercial building located at 16151 Weber Road in Crest Hill, Illinois. Said building is subject to an approximate \$3,100,000.00 mortgage securing a loan to Heartland Bank in that amount. The Debtor and Crestlake Holdings, LLC maintain that property to have a value of approximately \$3,400,000.00, is 100% leased, and generates income sufficient to satisfy the loan obligation. The Debtor previously executed a guarantee of the underlying \$3,100,000.00 Note secured by the aforesaid Mortgage (Heartland Guarantee). That loan with Heartland Bank remains current and is being paid by Crestlake Holdings, LLC pursuant to the terms of the loan obligations.

The Debtor's valuation of assets herein does not include depreciation since the date of filing.

The Debtor may recognize other assets of the Estate not otherwise scheduled under its statutory avoiding powers granted by the Bankruptcy Code. (11 U.S.C. 432-549)

B. LIABILITIES

1. Since the filing of their Petition on February 27, 2014, the Debtor has remained current in Post-Petition unpaid trade payables and all Post-Petition tax obligations.

2. The Debtor has incurred administrative expenses which the Debtor believes to be in the approximate amount of \$90,000.00 representing professional fees together with fees that will be due the U. S. Trustee's office at the time of Confirmation.

3. The Debtor has a priority debt owing the Internal Revenue Service relating to untimely payment and filing of the Debtor's 2014 Form 941 Employer Quarterly Tax Returns in the approximate amount of \$335.39.

4. The Debtor has a secured priority debt owing the Will County Treasurer for real estate taxes for the years 2013, 2014, and 2015 in the approximate amount of \$206,709.54 of which the Debtor has on deposit with Heartland Bank approximately \$131,438.74 to satisfy said obligation.

5. The Debtor has a secured debt owing to Heartland Bank in the approximate amount of \$2,476,000.00, which debt is secured by a perfected first mortgage on five (5) commercial buildings located in Crest Hill, Illinois.

6. The Debtor has a secured debt owing to Standard Bank in the approximate amount of \$2,740,000.00, which debt is secured by a first mortgage in the amount of \$2,230,000.00 on three commercial buildings located on Weber Road in Crest Hill, Illinois and a second mortgage arising from Crestlake Holdings, LLC Notes having a secured value of \$510,000.

7. The Debtor has a secured debt owing to Mitchell Drive, LLC, in the amount of \$250,000.00, which debt is secured

by a mortgage on the property located at 2200, 2400, and 2500 Weber Road in Crest Hill, Illinois.

8. The Debtor has unsecured debts owed to Claimants in the total approximate amount of \$1,010,000.00.

9. The Debtor has an unsecured debt owing to Donald Tomich, Sr. in the amount of \$115,600.00.

A bar date of _____, 2016 has been set for the filing of Pre-Petition Unsecured Claims.

V.

SUMMARY OF FOURTH AMENDED PLAN AND PROPOSED TREATMENT OF CLAIMS UNDER FOURTH AMENDED PLAN

The Debtor's Fourth Amended Plan of Reorganization is premised upon the continued operation of its business and projected profits generated from that operation.

The following is a summary of the Debtor's Fourth Amended Plan:

Unclassified Administrative Claims

\$90,000.00 (Estimated)	Payable within 30 days of confirmation and approval by the Bankruptcy Court or upon such lesser terms as accepted by the Creditor. Quarterly Trustee's fees, which are presently current, will be paid upon Confirmation if due. Administrative claims are unimpaired under the terms of the Debtor's Fourth Amended Plan.
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Class 1: Priority Claim of Internal Revenue Service

\$335.39	Said claim will be paid in full, without interest, within 30 days of confirmation. Said claim is
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impaired under the terms of the Debtor's Fourth Amended Plan.

Class 2: Secured Priority Claim of Will County Treasurer

\$206,709.54

Real estate taxes for the years 2013 and 2014, plus any applicable statutory interest accruing thereon, in the approximate amount of \$142,786.32 shall be paid from proceeds currently held by Heartland Bank in the amount of \$131,438.74 together with the additional sum of \$11,347.58 to be paid by Dean A. Tomich, individually, within 60 days of confirmation. Real estate taxes for the year 2015 in the current amount of \$63,923.22 will be paid from available tax escrowed funds deposited with Heartland Bank together with proceeds received from the sale of the Cobalt, LLC property within 270 days of confirmation. In the event the Cobalt, LLC property is not sold within the 270-day time frame, any remaining real estate tax shortage, after application of tax escrowed funds, will be paid by Dean A. Tomich, individually, within 270 days of confirmation. Said claim is unimpaired under the terms of the Debtor's Fourth Amended Plan.

Class 3: Secured Claim of Heartland Bank and Trust Company

\$2,476,000.00

The Debtor shall make monthly payments in the amount of \$19,711.71 for a period of 24 months with a final balloon payment on the 25th month in the approximate amount of \$2,450,000.00. The Debtor shall maintain insurance on all of the Bank's collateral. Heartland Bank shall retain a security interest in all of its collateral until all payments are made in full. All other terms of the Notes and Security Agreements executed between the Debtor and the Claimant,

other than payment terms, shall remain in full force and effect. In addition, Dean A. Tomich shall reimburse the Bank approximately \$15,000.00 for payment of real estate taxes affecting the subject properties for the taxable year 2013 within 90 days of confirmation. As an additional assurance to the Bank, the Debtor, upon confirmation, will deposit with the Bank a Deed to the subject property conveying its interest in the property to be delivered to the Bank in the event of any of the following:

(A) a default by the Debtor of any of the monthly installments due hereunder by more than 30 days from its due date; (B) a failure by the Debtor to re-finance or sell the subject property to satisfy the outstanding obligations of the Bank within 25 months of the date of confirmation; of (C) A failure by the Debtor to maintain insurance upon the subject premises. Upon occurrence of any of the foregoing conditions, the Bank shall be allowed to record its escrowed Deed to terminate the Debtor's interest in the collateral. Said claim is impaired under the terms of the Debtor's Fourth Amended Plan.

Class 4: Secured Claim of Standard Bank and Trust Company

\$2,740,000.00

The Debtor shall execute a new Note and Mortgage with Standard Bank consolidating its current first mortgage balance of approximately \$2,230,000.00 with an additional balance from the Bank's existing second mortgage on the Weber Road Property in the amount of \$510,000.00, creating a new first mortgage in the amount of \$2,740,000.00. In addition, the Bank shall maintain an unsecured claim against the Debtor in the amount of \$250,000.00 in full satisfaction of all loans owed the

Bank by the Debtor. The Debtor shall make monthly payments in the amount of \$18,848.11 for a period of 36 months with a final balloon payment on the 37th month in the approximate amount of \$2,494,426.08. The Debtor shall maintain insurance on all of the Bank's collateral and pay real estate taxes promptly when the same become due. Standard Bank shall retain a security interest in all of its collateral until all payments are made in full. Said Claim is impaired under the terms of the Debtor's Fourth Amended Plan.

Class 5: Secured Claim of Mitchell Drive, LLC

\$250,000.00

Pursuant to the terms of the parties' agreement, as approved by this Honorable Court on March 29, 2016, Mitchell Drive shall receive a total payment of \$250,000.00 as follows: payment of \$100,000.00 within seven (7) days of the filing of the Ballots by Heartland Bank, Mitchell Drive, LLC, and Standard Bank approving the Debtor's Fourth Amended Plan, with the balance of \$150,000.00 to be paid in monthly installments at a rate of 5% interest on a 27-year amortization schedule with a balloon payment of the remaining balance due 30 months following confirmation of the Fourth Amended Plan. Said monthly payment shall be in the amount of \$844.56 and shall commence on May 19, 2016. The \$150,000.00 balance shall be secured with a mortgage lien on the Debtor's real estate located at 2100 Weber Road and 1715,1716,1719 and 1724 Tomich Court in Crest Hill, Illinois. Mitchell Drive shall release its mortgage currently existing on the property located at 2200, 2400, and 2500 Weber Road, Crest Hill, Illinois. Said Claim is impaired under the terms of the Debtor's Fourth Amended Plan.

Class 6: Unsecured General Claims

\$1,010,000.00

Claimants shall be paid in ten semi-annual installments in the amount of \$15,000.00 each for the first year, \$18,000.00 each for the second through fourth years, and \$21,000.00 each for the fifth year. The first payment shall be due 180 days after confirmation of the Debtor's Fourth Amended Plan. All installments when made shall total \$180,000.00 and represents approximately 18% of each Claimant's claim. All payments shall be without interest and paid on a pro-rata basis. Said claims are impaired under the terms of the Debtor's Fourth Amended Plan.

Class 7: Unsecured Claim of Donald Tomich, Sr.

\$115,600.00

The Claimant has waived his claim. Said claim is impaired under the terms of the Debtor's Fourth Amended Plan.

Class 8: Equity Interest Holders Claims of Dean A. Tomich and Donald Tomich, Jr.

As equity interest holders, neither Dean A. Tomich nor Donald Tomich, Jr. will receive any compensation for their services as property managers of the Debtor's properties until completion of the Fourth Amended Plan. In addition, they will contribute the sum of \$24,000.00 per year from their personal funds to be applied towards the real estate taxes affecting Standard Bank's properties commencing with the taxable year 2015. Further, Dean A. Tomich, individually, on behalf of the Debtor, shall pay to Heartland Bank the sum of \$15,000.00 within 90 days of confirmation as reimbursement for real estate taxes previously paid

by the Bank. Dean A. Tomich, individually, shall also be responsible to pay the sum of \$11,347.58 towards the real estate taxes and interest for the 2013 and 2014 taxable years. In the event the Cobalt, LLC real estate has not sold within 270 days of confirmation, Dean A. Tomich, individually, shall also be responsible to pay any balance, after application of any tax escrowed funds, due to pay the real estate taxes for 2015 in full. Dean A. Tomich and Donald Tomich, Jr. shall retain their equity ownership in the Debtor, LLC.

VI.

ALTERNATIVES TO THE FOURTH AMENDED PLAN

The Debtor's Fourth Amended Plan of Reorganization contemplates future profits by the Debtor and from such profits to fund the claims of creditors. However, under certain circumstances, if the Fourth Amended Plan is not confirmed, and if the Debtor ceased all business operations and were forced to liquidate its assets under Chapter 7 of the Bankruptcy Code, the proceeds from the sale of such assets would be paid first to creditors with liens on the assets sold, next to costs of sale and administration, and thereafter pro-rata to priority and unsecured creditors as set forth in the Bankruptcy Code.

The Debtor, DTD INVESTMENTS, LLC, believes that the Fourth Amended Plan of Reorganization it has proposed is the best alternative it has and will create the best distribution to creditors. The alternatives to the Debtor's Fourth Amended Plan of Reorgani-

zation include conversion to a Chapter 7 Case or dismissal of the Chapter 11 Case. A conversion of the Debtor's case to Chapter 7 would result in a liquidation of the Debtor's assets, and would not likely be sufficient to satisfy the Debtor's priority claims, with little or no distribution to unsecured creditors. A dismissal of the Debtor's case would probably result in a "race to the courthouse" and a gradual loss of income producing assets and preferential payments to creditors applying the most pressure to the Debtor.

The Debtor submits that its Fourth Amended Plan of Reorganization, if confirmed, is the best alternative and will produce a greater distribution to its creditors than any other alternative at this time.

VII.

VOTING PROVISIONS AND CONFIRMATION PROCESS

A. STANDARD FOR CONFIRMATION OF FOURTH AMENDED PLAN

The Debtor's Fourth Amended Plan of Reorganization and a Ballot accompany this Third Amended Disclosure Statement, as well as a combined notice of a hearing to determine the adequacy of the Third Amended Disclosure Statement and confirmation of the Debtor's Fourth Amended Plan of Reorganization.

The Bankruptcy Code provides, in general, that in order for a Plan to be confirmed, each class of creditors must accept the Plan. A class of creditors or claimants whose rights are unimpaired under a Plan are deemed to have accepted the Plan

[11 U.S.C. 1126(f)]. A class of creditors or claimants whose rights are impaired or altered under a Plan are deemed to have accepted the Plan if such Plan has been accepted by creditors in such Class that held at least two-thirds (2/3s) in amount and more than one-half (1/2) in number of the allowed claims of such Class [11 U.S.C. 1126(c)].

Under the Debtor's proposed Fourth Amended Plan of Reorganization, the Debtor would retain its ownership interest in its real estate. In the event the Debtor's proposed Fourth Amended Plan is rejected by any of the designated Classes herein, then the Debtor will conduct a public auction to ensure the estate receives reasonable value in exchange for its retained ownership interests. Notice of this auction will be given via publication, and the auction will be held prior to Confirmation.

In the event the Debtor's Fourth Amended Plan of Reorganization cannot be confirmed, the Debtor's Fourth Amended Plan may be modified or other Plan(s) may be proposed. Alternatively, if the Debtor's Fourth Amended Plan cannot be confirmed, the case may be converted to a Chapter 7 or liquidation case, or dismissed. If the case was converted to a liquidation case under Chapter 7, the assets of the Debtor's Estate or proceeds thereof which have not heretofore been sold, abandoned, or otherwise administered would be distributed after the payment of all allowed lien claims, costs of administration and priority claims to unsecured creditors in accordance with the relevant provisions of the Bankruptcy Code.

The Order accompanying this Third Amended Disclosure Statement provides that objections to the Debtor's Fourth Amended Plan of Reorganization must be made in writing and filed with the Clerk of the Bankruptcy Court and copies served on the Debtor's Counsel on or before _____, 2016. This Order further provides that Ballots must be received by the Clerk's Office, U.S. Bankruptcy Court, 219 South Dearborn Street, Chicago, Illinois 60604 before 4:30 P.M. on _____, 2016, in order to be counted for purposes of confirmation of the Debtor's Fourth Amended Plan of Reorganization.

A hearing on confirmation of the Debtor's Fourth Amended Plan of Reorganization will be held on _____, 2016 at 10:00 A.M. in Courtroom 619, Dirksen Federal Building, 219 S. Dearborn Street, Chicago, Illinois, before the Honorable Judge Cassling, Bankruptcy Judge, at which time and place you may appear if you wish to be heard before confirmation of the Debtor's Fourth Amended Plan is determined.

VIII.

REORGANIZED DEBTOR

The Reorganized Debtor shall survive Confirmation for the purpose of implementing and consummating the Debtor's Fourth Amended Plan.

IX.

SPECIAL RISK FACTORS

Creditors should be aware that Confirmation of the Debtor's Fourth Amended Plan of Reorganization may constitute a novation of certain contractual rights of all parties in interest who will be legally bound to the terms of the Debtor's Fourth Amended Plan.

There are certain risk factors inherent in any Plan of Reorganization and creditors are advised to give careful consideration to those factors in the Debtor's Fourth Amended Plan of Reorganization, including assumptions about future business operations and estimates and approximations of claims and values which affect the rights of creditors. Second, the allowance of claims by the Court either prior to or after the Confirmation Hearing in amounts which are different than as scheduled or as estimated by the Debtor in this Third Amended Disclosure Statement may significantly affect the ultimate distribution to certain classes of Claimants.

The Debtor's Fourth Amended Plan is premised on continued future profitable operations and retention of revenue which cannot be guaranteed. However, Plans under Chapter 11 are usually accepted and confirmed because they offer the most reasonable prospect of a maximum recovery for all creditors, in contrast to other alternatives including a recovery under Chapter 7.

X.

RETENTION OF JURISDICTION

The Debtor's Fourth Amended Plan of Reorganization provides that the Bankruptcy Court shall continue to retain its statutory power and authority after Confirmation of the Debtor's Fourth Amended Plan for certain purposes, as specified in Article X of the Debtor's Fourth Amended Plan. It is anticipated that certain administrative claimants will apply to the Court for allowance and payment of their respective claims after Confirmation. The Court will also retain its statutory power and authority over the confirmation process in order to enter any Orders deemed necessary to effectuate or modify the Fourth Amended Plan and ultimately enter a Final Decree.

XI.

CONCLUSION

The Debtor, DTD INVESTMENTS, LLC, believes that its Fourth Amended Plan of Reorganization is feasible, treats all classes of claims fairly, and offers the best alternative to creditors and other parties in interest for a prompt and successful resolution of this Chapter 11 case.

Dated: August 22, 2016

DTD INVESTMENTS, LLC, Debtor

/S/

DEAN A. TOMICH, Manager

/S/

CHRIS D. ROUSKEY, Its Attorney

SWORN DECLARATION UNDER PENALTY
OF PERJURY ON BEHALF OF DEBTOR'S ESTATE

I, DEAN A. TOMICH, certify under penalty of perjury that I have read this Third Amended Disclosure Statement, and that it is true and correct to the best of my knowledge, information and belief.

Executed this 22nd day of August, 2016.

/s/
DEAN A. TOMICH

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