

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

In re:)	Chapter 11
)	
LINDA GRAVES JELINEK,)	Case No. 14 B 25220
)	
)	Hon. Janet S. Baer
)	
Debtor.)	

**DEBTOR'S AMENDED DISCLOSURE STATEMENT WITH RESPECT TO SIXTH
AMENDED PLAN OF LIQUIDATION DATED OCTOBER 19, 2016**

LINDA GRAVES JELINEK, debtor and debtor-in-possession herein (“Debtor”), by and through her attorneys, files this Disclosure Statement (“Disclosure Statement”) pursuant to §1125 of the Bankruptcy Code and in conjunction with her Sixth Amended Plan of Liquidation filed on October 19, 2016 (“Plan”). A copy of the Plan is attached to this Disclosure Statement as **Exhibit A**.

CHART OF TREATMENT OF CLAIMS UNDER PLAN

<u>CLASS</u>	<u>AMOUNT OF CLAIM</u>	<u>TREATMENT</u>
Administrative Claims	Approximately \$25,000	Paid in full within thirty (30) days of the Effective Date, ¹ unless otherwise agreed, except that post-petition trade creditors will be paid according to the terms under which the debt was incurred, and all professional fees shall remain subject to order of Court
Tax Claims Entitled to Priority	Debtor does not believe that there are presently any Tax Claims Entitled to Priority, as they were previously paid pursuant to Court order	Such claims, if any, to be paid in full from proceeds of sale or refinancing of Debtor’s properties within one year after the confirmation of the Plan,

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

		plus interest at the statutory rate from the Petition Date
Claims Entitled to Priority under §507(a), other than subsections (a)(2), (a)(3) and (a)(8).	Debtor does not believe that there are any holders of claims in Class 1	Paid in full within thirty (30) days after Effective Date plus interest at the Applicable Federal Rate from Petition Date
JPMorgan Chase Bank N.A. (Allowed Aspen Secured Claim – Class 2)	Approx. \$1,560,709 less \$300,000 previously paid pursuant to Order of Court (Docket 188).	Paid in full within one year of the date of confirmation, either from the gross proceeds of sale of the Aspen Property or from the Final Net Proceeds of Sale of other Real Estate, subject to potential prior foreclosure sale by Chase, all as set forth in Section IV below, with lien retained and interest accruing at the note rate from the Petition Date until paid in full
JPMorgan Chase Bank N.A. (Allowed Evanston Secured Claim – Class 3)	Approx. \$1,204,732 less \$300,000 previously paid pursuant to Order of Court (Docket 189).	Paid in full within one year of the date of confirmation, either from the gross proceeds of sale of the Primary Residence or from the Final Net Proceeds of Sale of other Real Estate, subject to potential prior foreclosure sale by Chase, all as set forth in Section IV below, with lien retained and interest accruing at the note rate from Petition Date until paid in full
Unsecured Creditors	Approx. \$59,800	Paid in full from proceeds of sale or refinancing of Debtor's properties, within one year after date of confirmation, plus interest at the Applicable Federal Rate from the Petition Date

INTRODUCTION

The Debtor filed her Voluntary Petition for Relief under Chapter 11 of the United States Bankruptcy Code on July 8, 2014 (the “Petition Date”). Since the Petition Date, the Debtor has been managing her financial affairs pursuant to §§ 1101 and 1107 of the Bankruptcy Code. No trustee or examiner and no Official Committee of Unsecured Creditors has been appointed. On October 19, 2016, Debtor filed her Sixth Amended Plan. The Debtor is the proponent of the Plan. The Plan provides for distributions to creditors with Allowed Claims over a one year period, from the liquidation of Debtor’s real properties or from the proceeds of the financing or refinancing of same.

SUMMARY OF TREATMENT OF CLAIMS UNDER THE PLAN

The Plan has one (1) category of Administrative Claims, one (1) category of Tax Claims, and four (4) classes of creditors. The Claims set forth in the Plan consist of the following:

Administrative Claims

Administrative Claims are unclassified and unimpaired under the Plan and primarily consist of Allowed Claims for fees and expenses of bankruptcy counsel, Lakelaw, employed pursuant to Order entered by this Court. The unpaid fees and expenses of Lakelaw are approximately \$25,000.² Lakelaw shall not be paid unless and until the Bankruptcy Court has entered an appropriate order allowing the compensation and reimbursement of expenses requested by Lakelaw. The fees and expenses of Lakelaw are anticipated to be the only Allowed Administrative Claim inasmuch as the court-approved brokers and special real estate counsel are anticipated to be paid from real estate sale proceeds at post-confirmation closings.

² This amount is merely the Debtor’s estimate and is, therefore, subject to change.

However, also included in the category of Administrative Claims are post-petition current expenses and statutory fees due to the United States Trustee. Under the Plan, post-petition current expenses will be paid in the ordinary course pursuant to the terms existing at the time the claims were incurred. The statutory fees to the United States Trustee will be paid when such come due until the entry of a final decree.

Other than statutory fees to the United States Trustee, all Administrative Claims, to the extent allowed, will be paid in full in cash within thirty (30) days of the Effective Date, unless otherwise agreed. The source of funds for payment of such Administrative Claims will be the Net Proceeds of Sale of Encumbered Real Estate and/or the Net Proceeds of Sale of Unencumbered Real Estate.

Tax Claims

The Plan has a specific provision for the payment of taxes which are of the type entitled to priority under § 507(a)(8) of the Bankruptcy Code. The IRS filed a claim for \$209,475.81, which is unclassified under the Plan. Of that amount, \$157,810.64 was filed as a priority claim for taxes while the balance was filed as a general unsecured claim for penalties. The Illinois Department of Revenue also filed a claim, which is unclassified under the Plan. The claim was in the amount of \$24,761.47, of which \$22,167.07 was claimed as priority and the balance as a general unsecured claim for penalties. The Plan provides that Allowed Priority Tax Claims, if any, will be paid within one year after confirmation of the Plan in full, plus interest at the statutory rate³ from the Petition Date, from the Net Proceeds of Sale of Encumbered Real Estate and/or the Net Proceeds of Sale

³ The statutory rate is the “underpayment rate” established pursuant to 26 U.S.C § 6621 for the calendar month in which the plan is confirmed, compounded daily pursuant to 26 U.S.C. § 6622. (See § 511 of the Bankruptcy Code, requiring the rate (for taxes) as determined under applicable nonbankruptcy law, as of the calendar month in which the plan is confirmed.)

of Unencumbered Real Estate, as the case may be, after payment in full of Allowed Administrative Claims, all in compliance with the requirements of 11 U.S.C. §1129(a)(9)(C) of the Bankruptcy Code. However, Debtor believes there are no remaining Allowed Priority Tax Claims, as they have already been paid from net proceeds of sale of certain unencumbered real estate, pursuant to order of Court (Docket 170).

Class 1: Other Priority Claims

Holders of Allowed Claims entitled to priority under § 507(a) of the Bankruptcy Code, other than Administrative Claims and Tax Claims, comprise the category of Other Priority Claims. The Debtor estimates that there are no claimants in this category.

To the extent that holders of Other Priority Claims shall emerge in the Debtor's Chapter 11 case, they shall be paid in full within thirty (30) days after the Effective Date, plus interest at the Applicable Federal Rate from the Petition Date, except to the extent that said holders of Allowed Other Priority Claims agree to a later date of payment. The source of funds for any emergent Other Priority Claims will be the Debtor's cash resources from her monthly income.

Class 2 Claim:

Class 2 consists of the Allowed Secured Claim of Chase Bank which is secured by a lien ("Aspen Mortgage") on the Aspen Property. The proof of claim filed by Chase Bank with respect to the Aspen Mortgage was in the amount of \$1,560,709.72. The Claim in Class 2 has been reduced by the \$300,000 payment made thereon by Debtor on October 13, 2016 (as so reduced,

the “Allowed Aspen Secured Claim” or the “Class 2 Claim”). The Class 2 Claim is impaired under the Plan and entitled to vote and shall be paid in full as follows:

- i. Upon the sale by Debtor of the Real Estate securing the Class 2 Claim, i.e., the Aspen Property, the Allowed Secured Claim in Class 2 shall be paid in full, including postpetition interest at the note rate, from the gross proceeds of sale;
- ii. In the event that the Aspen Property has not been sold at the time of the sale of Real Estate hereunder that is unencumbered, the holder of the Class 2 Claim shall be paid 50% of the Final Net Proceeds of Sale of Unencumbered Real Estate with respect to such sale until such time as the Class 2 Claim shall have been satisfied in full; provided, however, that if at the time of such sale the Primary Residence has already been sold, then the holder of the Class 2 Claim shall be paid 100% of such Final Net Proceeds of Sale of Unencumbered Real Estate until such time as the Class 2 Claim shall have been satisfied in full; and
- iii. In the event that the Aspen Property has not been sold at the time of the sale of the Primary Residence hereunder, the holder of the Class 2 Claim shall be paid 100% of the Final Net Proceeds of Sale of Encumbered Real Estate with respect to such sale, until such time as the Class 2 Claim shall have been satisfied in full.
- iv. Debtor shall have six (6) months from the date of the entry of an order confirming the Sixth Amended Plan (the “Initial Period”) to market the Aspen Property for sale. If the Aspen Property is sold during the Initial Period, the holder of the Class 2 Claim shall be paid in full from the proceeds of the sale.
- v. If Debtor does not sell the Aspen Property within the Initial Period, Debtor shall attempt to auction the Aspen Property for sale. The starting auction bid price shall not be less than the amount required to pay the full amount of the Class 2 Claim.
- vi. Immediately upon the expiration of the Initial Period, the plan injunction shall be modified as to the holder of the Class 2 Claim with respect to the Aspen Property in accordance with the following provisions. The holder of the Class 2 Claim shall be permitted to sell the Aspen Property but may not move to do so until thirty (30) days prior to the setting of any foreclosure sale on the Primary Residence, inasmuch as the Aspen Property is located in a non-judicial foreclosure state. Debtor's attempt to auction the Aspen Property shall not preclude the holder of the Class 2 Claim from moving forward with a

sale in accordance with these provisions. If Debtor successfully auctions the Aspen Property or otherwise pays in full the amount due on the Class 2 Claim prior to any sale by the holder thereof, the holder of the Class 2 Claim shall immediately end any pending sale of the Aspen Property. If, on the other hand, the holder of the Class 2 Claim successfully sells the Aspen Property in accordance with the foregoing provisions prior to an auction sale by Debtor of the Aspen Property or full payment by Debtor of the amount due on the Class 2 Claim, Debtor shall immediately remove the Aspen Property from auction.

Debtor shall complete any sale of the Aspen Property at auction within six (6) months after the close of the Initial Period.

Although Debtor may, but will not be required, to make further payments of principal and interest on the Class 2 Claim during the Plan Period, interest on the Class 2 Claim shall continue to accrue at the note rate thereon as it varies from time to time. The holder of the Allowed Class 2 Claim shall retain its lien pursuant to the Aspen Mortgage and related loan documents, except to the extent modified by the Plan.

Debtor has listed all of her real estate for sale, with the exception of the real property located at 3808 Herschel Avenue, in Dallas, Texas, and shall actively market same so as to sell within the Plan Period such of the real estate as is necessary to pay all Allowed Claims under the Plan in full, including the Allowed Class 2 Claim.

Class 3 Claim:

Class 3 consists of the Allowed Secured Claim of Chase Bank which is secured by a lien (“Evanston Mortgage”) on the Primary Residence. The proof of claim filed by Chase Bank with respect to the Primary Residence was in the amount of \$1,204,732.43. The Claim in Class 3 has been reduced by the \$300,000 payment made thereon by Debtor on October 13, 2016 (as so

reduced, the “Allowed Evanston Secured Claim” or the “Class 3 Claim”). The Class 3 Claim is impaired under the Plan and entitled to vote and shall be paid in full as follows.

- i. Upon the sale by Debtor of the Real Estate securing the Class 3 Claim, i.e., the Primary Residence, the Allowed Secured Claim in Class 3 shall be paid in full, including postpetition interest at the note rate, from the gross proceeds of sale;
- ii. In the event that the Primary Residence has not been sold at the time of the sale of Real Estate hereunder that is unencumbered, the holder of the Class 3 Claim shall be paid 50% of the Final Net Proceeds of Sale of Unencumbered Real Estate with respect to such sale until such time as the Class 3 Claim shall have been satisfied in full; provided, however, that if at the time of such sale the Aspen Property has already been sold, then the holder of the Class 3 Claim shall be paid 100% of such Final Net Proceeds of Sale of Unencumbered Real Estate until such time as the Class 3 Claim shall have been satisfied in full; and
- iii. In the event that the Primary Residence has not been sold at the time of the sale of the Aspen Property hereunder, the holder of the Class 3 Claim shall be paid 100% of the Final Net Proceeds of Sale of Encumbered Real Estate with respect to such sale, until such time as the Class 3 Claim shall have been satisfied in full.
- iv. Debtor shall have six (6) months from the date of the entry of an order confirming the Sixth Amended Plan (the “Initial Period”) to market the Primary Residence for sale. If the Primary Residence is sold during the Initial Period, the holder of the Class 3 Claim shall be paid in full from the proceeds of the sale.
- v. If Debtor does not sell the Primary Residence within the Initial Period, Debtor shall attempt to auction the Primary Residence for sale. The starting auction bid price shall not be less than the amount required to pay the full amount of the Class 3 Claim.
- vi. Immediately upon the expiration of the Initial Period, the plan injunction shall be modified as to the holder of the Class 3 Claim so that said holder may, in accordance with state law and procedures otherwise applicable, petition for the sale of the Primary Residence through the foreclosure case that was commenced prior to the filing of Debtor’s chapter 11 petition. Debtor’s attempt to auction the Primary Residence shall not preclude the holder of the Class 3 Claim from moving forward with such foreclosure sale. If Debtor successfully auctions the Primary Residence prior to the foreclosure

sale date or otherwise pays in full the amount due on the Class 3 Claim, the holder of the Class 3 Claim shall remove the Primary Residence from the scheduled foreclosure sale. If, on the other hand, the holder of the Class 3 Claim successfully sells the Primary Residence at a foreclosure sale prior to an auction sale of the Primary Residence or full payment by Debtor of the amount due on the Class 3 Claim, Debtor shall immediately remove the Primary Residence from auction.

Debtor shall complete any sale of the Primary Residence at auction within six (6) months after the close of the Initial Period.

Although Debtor may, but will not be required, to make further payments of principal and interest on the Class 3 Claim during the Plan Period, interest on the Class 3 Claim shall continue to accrue at the note rate thereon as it varies from time to time. The holder of the Allowed Class 3 Claim shall retain its lien pursuant to the Evanston Mortgage and related loan documents, except to the extent modified by the Plan.

Debtor has listed all of her real estate for sale, with the exception of the real property located at 3808 Herschel Avenue, in Dallas, Texas, and shall actively market same so as to sell within the Plan Period such of the real estate as is necessary to pay all Allowed Claims under the Plan in full, including the Allowed Class 3 Claim.

Class 4 Claims:

Class 4 is comprised of non-priority general unsecured creditors holding Allowed Claims. Holders of the Allowed General Unsecured Claims in Class 4 will be paid the full amount of their Allowed Claims, plus interest at the Applicable Federal Rate from the Petition Date, in Cash from Net Proceeds of Sale of Unencumbered Real Estate and/or Net Proceeds of Sale of Encumbered Real Estate, as the case may be, after payment in full of Allowed Administrative Claims and Allowed Priority Tax Claims.

Claims Objections

No distributions will be made to claimants whose Claims are the subject of objections until resolution of the objections.

PURPOSE OF DISCLOSURE STATEMENT

This Disclosure Statement is provided to all of the known holders of Claims against the Debtor who are entitled to vote their acceptance or rejection of the Plan. This Disclosure Statement is disseminated in connection with the solicitation of acceptances of the Plan filed by the Debtor. The purpose of this Disclosure Statement is to provide such information as would enable a hypothetical, reasonable investor, typical of the holders of Claims which are impaired under the Plan, to make an informed judgment about the Plan.

The information contained in this Disclosure Statement has been submitted by the Debtor unless specifically stated to be from other sources. No representations concerning the Debtor or this Plan, other than those set forth in this Disclosure Statement, have been authorized by the Debtor.

The Debtor believes that all of the information contained in this Disclosure Statement is accurate. However, the Debtor is unable to warrant that there are no inaccuracies.

Under the Bankruptcy Code, a Class of Claims is considered to have accepted the Plan if both a majority in number and two-thirds (2/3) of the dollar amount of those actually voting vote to accept the Plan. The Claims of those who do not vote are not counted in determining whether the requisite statutory majority in number and dollar amount have

voted for acceptance. Acceptance by the statutory majority will bind the minority who dissent and those who fail to vote.

The Plan requires that the holders of Claims in Classes 2, 3, and 4 vote on Confirmation of the Plan.

HISTORY AND BACKGROUND

The Debtor is an individual residing in Evanston, Illinois. The Debtor's Chapter 11 case was filed in the Northern District of Illinois, due to the impending foreclosure of Debtor's residence. Debtor is retired and owns seven (7) rental properties in addition to her Primary Residence and the Aspen Property. Debtor is a fortunate individual with significant assets. She is solvent; however, her assets are mostly illiquid, albeit with a significant equity cushion. Furthermore, her monthly Social Security and rental income is not sufficient to service the debt that she has. Debtor is in her seventies and needs to generate liquid income to support herself and her 2 minor children.

Faced with two foreclosure sales, for the Aspen Property and Debtor's Primary Residence, and the inability to modify the loans, the Debtor was left with no other alternatives and sought to file a Chapter 11 bankruptcy case on July 8, 2014. As a result of the Debtor's inability to remain current on her obligations on the Aspen Mortgage and Evanston Mortgage, the Debtor needed the automatic stay protection of bankruptcy in order to allow her to market and sell her properties and pay the Aspen Mortgage, Evanston Mortgage and all of her priority and non-priority unsecured debts in full.

Debtor's Aspen Property has been appraised by Chase Bank at \$3.7 million, and her Primary Residence has been appraised by Chase Bank at \$2.2 million but is considered to be worth at least \$3.5 million. Debtor also owns additional properties in Evanston, Illinois, New Mexico, Florida, and Texas. These properties are unencumbered and in Debtor's judgment are worth substantially in excess of amounts due under the Plan.

POST-PETITION ACTIVITIES

Since the Petition Date, the Debtor has continued to maintain her real estate and will be able to meet her monthly expenses and pay all creditors upon sale of Real Estate under the Plan. Debtor has or will list all of her real estate for sale, with the exception of the real property located at 3808 Herschel Avenue, in Dallas, Texas, and shall actively market same so as to sell within the Plan Period such of the real estate as is necessary to pay all Allowed Claims under the Plan in full. However, in the event that all Allowed Claims have not been paid in full from said sales or otherwise within six months after confirmation of the Plan, then Debtor will immediately take steps to sell some or all of the remaining parcels of her Real Estate at auction, sealed bid, or other structured bidding process, as necessary to pay any balance of claims remaining. Debtor will complete any such auction sale within six months after the close of the initial six month period. Debtor has successfully sold one of her Florida properties as a result of which most administrative claims and all priority tax claims have been paid. In addition, Debtor has paid a total of \$600,000 to the holder of the Class 2 and Class 3 claims as adequate protection pursuant to orders of Court (Docket Nos. 188 and 189).

The Debtor actively marketed the Aspen Property during the course of this Case. However, the offers that were received were regarded as inadequate.

OTHER ASPECTS OF THE PLAN

The Debtor will assume the role of disbursing agent under the Plan. Upon Confirmation of the Plan, the Debtor shall be revested with her assets, subject only to the terms and conditions of the Plan. The Debtor shall be entitled to continue to operate her business and manage her financial affairs without further order of this Court, except as otherwise set forth in the Plan. After confirmation of the Plan, the Debtor will continue to manage her financial affairs in the ordinary course. Payments to creditors pursuant to the Plan will be made from the sale of Debtor's Real Estate or the proceeds of the financing or refinancing of same.

Upon confirmation, an injunction under § 524 of the Bankruptcy Code shall arise to prevent any party from foreclosing its Lien or Security Interest or otherwise enforcing its Claims against the Debtor and her assets in this bankruptcy case. This injunction will remain in effect, except as otherwise specifically authorized in the Plan with respect to Chase Bank, until all distributions under the Plan have been made.

The Plan is self-executing. The Debtor shall not be required to execute any newly created documents to effectuate the terms of the Plan. Upon payment of the amounts as required by the Plan, any Liens and Security Interests supporting such claims shall be deemed released and discharged. All executory contracts and unexpired leases which exist between the Debtor and any other party, whether such executory contracts are in writing or oral, which have not been previously assumed, assigned, rejected, or otherwise terminated by the Debtor, shall be deemed assumed. Any and all claims asserted by any party arising from the rejection of executory contracts

and unexpired leases pursuant to the Plan must be filed on or within thirty (30) days following confirmation of the Plan, unless a prior order of the Bankruptcy Court establishes a different date for the filing of such claims. Further, with respect to Claims for Defaults relating to any unexpired lease or executory contract that is assumed pursuant to the Plan, any and all such Claims must also be filed on or within thirty (30) days following the assumption. Allowed Claims emanating from the rejection of unexpired leases and executory contracts will be treated as Class 4 Claims. Allowed Claims for Defaults emanating from the assumption of unexpired leases and executory contracts shall be treated as administrative claims. Any person failing to file such a claim within the time provided in the Plan shall be forever barred from asserting such claim and shall not receive any distribution under the Plan. The provisions for assumption, assignment and rejection shall be equally applicable to executory contracts and unexpired leases of real and personal property.⁴

The Bankruptcy Court shall retain jurisdiction for certain specified purposes. The Debtor will have the right to make any distribution to creditors earlier than required by the Plan without penalty. The Debtor shall have the right, power and authority after Confirmation of the Plan to commence any preference, fraudulent conveyance or other litigation she deems appropriate.⁵ Any funds realized from such claims and retained causes of action may be used to make the payments under the Plan. The Bankruptcy Court shall retain jurisdiction for such litigation.

The provisions of the Plan shall bind all creditors, interest holders and parties in interest. Except as expressly provided in the Plan, no interest or penalties shall accrue or be paid to any

⁴ The Debtor is unaware of any Claims which will flow from the rejection of unexpired leases and executory contracts.

⁵ The Debtor has not completed an analysis of potential preference and/or fraudulent conveyance claims. Therefore, the Debtor is presently unable to quantify the extent to which, if at all, she has claims for such preferences and fraudulent conveyances. It is, however, unlikely that any such avoidance claims exist. Moreover, given Debtor's solvency, it does not make sense to pursue any such claims.

creditor. Finally, in the event that all applicable requirements of § 1129(a) of the Bankruptcy Code, other than § 1129(a)(8), are met, the Debtor reserves the right, pursuant to § 1129(b) of the Bankruptcy Code, to request that the Bankruptcy Court conduct a cramdown hearing.

LIQUIDATION ANALYSIS

An estimate by Debtor of the value of her assets is attached hereto as **Exhibit B**. Exhibit B is comprised of Schedule A, as revised to exclude the property located at 1344 15th Terrace, Miami Beach, FL 33139 (the “15th Terrace Property”), which has already been sold pursuant to court order (as so revised, “Revised Schedule A”), Schedule B, and Schedule C of the Debtor’s bankruptcy schedules. According to Exhibit B, the estimate of the total liquidation value of the Debtor’s assets, consisting of the Debtor’s Primary Residence, Aspen Property, other Real Estate and personal property, including one (1) vehicle, is approximately \$13,300,000. Even taking into account the fact that Debtor has been unable to sell real estate for the prices set forth on the Schedules, Debtor believes that the value of her remaining real estate in current market conditions is no less than \$10,000,000.

The Debtor’s liabilities may be summarized as follows:

<u>Liabilities</u>	<u>Amount</u>
Aspen Mortgage	\$1,560,709.72 less \$300,000 payment
Evanston Mortgage	\$1,204,732.43 less \$300,000 payment
IRS	\$52,000 non-priority penalty claim
Illinois Dept. of Revenue	\$2,600 non-priority penalty claim
Unsecured Creditors	\$59,800.43
Administrative Claims	\$25,000 (estimated)

Other Priority Claims

- 0 -

The total of all claims is substantially less than \$3,000,000.

In the event of a forced liquidation, creditors would likely receive 100% of their Claims plus interest. Since the Debtor's Plan is offering a 100% plus interest distribution, the distribution is as much or more than creditors would receive if the Debtor's assets were liquidated in or out of a Chapter 7 bankruptcy case.

IMPLEMENTATION AND FEASIBILITY OF THE PLAN

As discussed throughout the Disclosure Statement, distributions under the Plan shall be made from proceeds of the sale of Debtor's Real Estate or the proceeds of the financing or refinancing of same.

The Debtor believes that the Plan is feasible given the equity cushion Debtor has in the Aspen Property and her Primary Residence, as well as the other Real Estate, all of which is unencumbered.

The Debtor believes that the Plan represents an opportunity for the holders of Allowed Claims to receive as much or more than such claimants would receive in a forced liquidation. The Plan is also fair.

As a result of the Debtor taking the necessary steps to repay the creditors pursuant to the Bankruptcy Code under the Plan, an injunction will be put in place post confirmation

and will remain in effect, except as otherwise specifically provided in the Plan with respect to Chase Bank, in order to protect the Debtor during the course of the Plan Period.

RECOMMENDATION

The Debtor recommends that those persons entitled to vote, vote to accept the Plan.

Respectfully submitted,

**LINDA GRAVES JELINEK,
Debtor and Debtor-in-Possession**

By: /s/ David P. Leibowitz
One of her attorneys

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