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

In Re:)
) Chapter 11
ADA A. GIRON,)
) Case No. 15-07521
Debtor.)
)
)
)
)
) Honorable Judge Donald R. Cassling

THIRD AMENDED DISCLOSURE STATEMENT

ADA A. GIRON, Debtor and Debtor in Possession herein, by and through her Attorneys Paul M. Bach and Penelope N. Bach of Bach Law Offices, files this Third Amended Disclosure Statement (“Disclosure Statement”) pursuant to Section 1125 of the Bankruptcy Code and in conjunction with her Third Amended Plan of Reorganization (“Plan”). A copy of the Plan is attached to this Disclosure Statement as Exhibit A.

INTRODUCTION

The Debtor filed her voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code on March 3, 2015. The Debtor has operated her business of Rental Real Estate and managed her financial affairs as Debtor-in-Possession since the inception of this reorganization case pursuant to Sections 1101, 1107 and 1108 of the Bankruptcy Code. No trustee, examiner or committee of unsecured creditors has been appointed to serve in this Chapter 11 case.

The Debtor is the proponent of this Plan as well as the Disbursing Agent. This Plan

provides for distributions to the holders of allowed claims from the continued operation of her business of Rental Real Estate, retirement funds and from social security.

As stated in detail below, the Debtor owns ten improved parcels of real estate. More than ninety-nine percent (99%) of the creditors' claims relate to five of the ten parcels. The Debtor also has three general unsecured creditors: American Express, Peoples Gas and Navient (student loans).

In Summary, this Plan provides for the orderly liquidation of the Debtor's assets to pay her creditors in full on or shortly after the Effective Date. The Debtor proposes to pay her creditors through a combination of: (a) the sale of all Rental Real Estate, except for the 26th Street Property; (b) restructuring of the 26th Street Property debt; (c) the liquidation of the Investment Accounts; and (d) her continuing social security payments and rental income. The vast majority of the Debtor's outstanding liabilities are owed to her secured creditors: Byline Bank, Waterfall Olympic Master Fund Grantor Trust, Series II, as successor by assignment to Byline Bank, and CitiMortgage. A summary of the Plan provisions is as follows:

- 1) CitiMortgage – Debtor has listed the Fishermans Terrace Property for sale with a list price of \$148,700.00. While the property is listed Debtor will continue to make monthly payments in accordance with the underlying loan documents.
- 2) Byline –Byline is owed an approximate amount of \$585,378.27. Debtor will be paying Byline 100% of its claim in the following manner:
 - a. The Debtor will tender \$90,000.00 in cash from her non-exempt mutual fund accounts to Byline;
 - b. The Debtor. will sell the 2853 Cermak Property in accordance with the Court Order of August 29, 2016 in the gross amount of \$100,000.00;

- c. The Debtor will pay Byline \$89,710.03 by wire transfer from the sale of from the proceeds of the sale of the 50438 51st Avenue, Lawrence, Michigan 49064;
 - d. The remainder of Byline's claim, approximately \$312,021.48 as of September 30, 2016, shall be combined, recast and restructured into a new promissory note, with monthly payments in the amount of \$2,507.27 for approximately fifteen years with an annual interest rate of 5.25%. Byline will retain its lien against the 26th Street Property.
 - e. If at any point during the 15 years of the restructured promissory note, Debtor sells the property located at 34242 Vauxhill Drive, Paw Paw, Michigan 49079, fifty percent (50%) of the net proceeds of sale shall be tendered to Byline Bank as a pre-payment on the restructured promissory note; and
- 3) Waterfall –Waterfall is currently owed an approximate amount of \$327,216.77. The Debtor will be paying Waterfall 100% of its claim in the following manner:
- a. The debtor will tender \$90,000.00 in cash from her non-exempt mutual fund accounts to waterfall.
 - b. During the pendency of the case, the Debtor has sold the Lawndale Property in the amount of \$350,000, the full amount of the sale has been paid to Waterfall and is already reduced from the total balance due of \$327,216.77 to Waterfall.
 - c. The Debtor will sell the 2851 Cermak Property in accordance with the Court Order of August 29, 2016 in the gross amount \$75,000.00.; and
 - d. The Debtor will pay Waterfall \$89,710.03 by wire transfer from the sale of

from the proceeds of the sale of the 50438 51st Avenue, Lawrence, Michigan 49064;

- e. By agreement, the Debtor will tender a lump sum payment of \$30,000.00 to resolve any remaining balance due to Waterfall. If approved, the Debtor will pay the lump sum payment within 60 days of confirmation in the amount of \$30,000.00 to payoff the Waterfall account in full.

In the alternative, if the settlement has not been approved on or before confirmation, the Debtor will pay Waterfall the sum of \$72,506.73 with monthly installments of \$582.87 for fifteen years which includes interest in the amount of 5.25%. If at any point during the 15 years of the on payments to Waterfall, the Debtor sells the property located at 34242 Vauxhill Drive, Paw Paw, Michigan 49079, fifty percent (50%) of the proceeds of sale shall be tendered to Waterfall as pre-payment.

- 4) Cook County Treasurer – Debtor will pay the Cook County Treasurer 100% of the balance due at closing on the respective real estate;
- 5) Lawrence Township – Debtor will pay Lawrence Township \$6,907.29 at closing; and
- 6) The Debtor shall pay 100% unsecured claims of Navient, American Express Centurion Bank and Peoples Gas on or before June 30, 2017, from the e non-exempt Investment Accounts, or her personal unencumbered assets or other unencumbered properties.

The attached Exhibit B lists each creditor and states the class and the amount of the allowed claim(s) of each creditor. It should be noted that a bar date of May 26, 2015 was previously set by the Court (Docket 14) and a Notice (Docket 15) was sent to each known creditor of the Debtor advising each creditor to file a Proof of Claim. After the foregoing determination, based on Exhibit B, the class of a particular creditor the chart below will show the total dollar amounts and timing of payments to be made under the plan. This chart identifies all classes of claims, the total amount of claims to each class, and the amount (dollar and percentages) to be paid to each class. Exhibit B (as well as the general description on the attached chart) shows the composition of each class.

In Summary, there are three classes of claims (and an additional class, which is unclassified) which are to be treated as follows:

Class	Total Amount To Be Paid	Timing of Payment Monthly Installment	Number of Payments Amount Paid Through Plan
Administrative -- Debtor's Attorney, Court Fees and United States Attorney	60,000.00 Estimated		Effective Date of Plan 100%
Class 1 – Citimortgage, Inc.	\$121,875.59	Monthly \$1,709.15	Original Loan Terms
Class 2 – Byline Bank	\$585,378.27	payment at closing and 30 days after effective date	Monthly Installments until such time property sells as well as lump sum payments
Class 3 – Waterfall	327,216.77	payment at closing and 30 days after effective date	Monthly Installments until such time property sells and lump sum payments
Class 4 – Cook County Treasurer	\$2,557.06	One payment per building	one payment

Class 5 – Lawrence Township	\$6,907.29	One payment at closing	one payment
Class 6 - Unsecured Creditors	\$11,878.95	Monthly	Payment from proceeds of Sale

SUMMARY OF TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN

The Debtor's Plan of Reorganization (the “Plan”) provides that on the Effective Date, the Debtor will retain all of her assets until such time as the assets have been sold in accordance with the terms of the Plan of Reorganization, and will thereafter be responsible for paying the Claims of her creditors, as provided below.

In general, the Debtor will pay Administrative Claims (One Class) and six classes of Creditors Claims.

- a. ADMINISTRATIVE CLAIMS: These claimants represent claims arising post-petition. Any Administrative Expense that is an Allowed Claim shall be paid by the Reorganized Debtor, in full, in cash or as otherwise agreed. Payment of Professional Fees shall be subject to the provisions of Section 330(a) and 331 of the Bankruptcy Code or as otherwise provided by the Plan. United States Trustee and other bankruptcy fees shall be paid in full on or before the Effective Date or as they come due thereafter. The source of payment for these amounts will be the Debtor’s income from operations and from employment. The Debtor expects Administrative Claims will be approximately \$60,000.00 as of the Effective date.

b. CREDITOR CLAIMS:

1. The following parties have filed or have secured claims and are being treated as secured under the Plan: Byline Bank, Waterfall, Citimortgage, Inc, Cook County Treasurer and Lawrence Township.
 2. There is one class of unsecured claims: There are three creditors that make up the class and a total amount of \$11,878.95 in Claims. American Express (\$2,013.49), Navient (\$9,266.45) and Peoples Gas (\$599.00).
 3. Secured Claims will be paid interest on payments subsequent to March 3, 2015 at the rate of interest provided in the underlying security documents except as provided for under each individual claim.
 4. Any un-cashed checks or returned distributions shall be the property of the Debtor. The Debtor advises all Creditors and other parties in interest that under Section 1127(a) of the Bankruptcy Code, the Debtor may, within certain limits, modify the Plan at any time before confirmation. Further negotiations between the Debtor and one or more of her creditors may result in such modifications. The Debtor does not expect or intend to agree to modifications that would materially and adversely influence the feasibility of the Plan as now constituted. The Debtor will bring all such proposed modifications to the attention of the Bankruptcy Court by appropriate pleading before they become effective.
- c. Plan Funding: The Debtor will make all payments out of her future income from social security, rental of real estate, sale of real estate and funds saved in her retirement accounts. The Debtor is the disbursing agent. The Debtor expects to receive net income sufficient to pay all Claims. Creditors can review a detailed

projection of the Debtor's Income and Expenses, which are attached as Exhibit C.

- d. Property Retention: Debtor's intention to retain some of her properties and sell several of her properties as listed below in Debtor's analysis of the Debtor's Income, Current Assets and Liabilities.

ANALYSIS OF THE DEBTOR'S INCOME, CURRENT ASSETS AND LIABILITIES

- a. The Debtor based her projections on historical income and in consideration of the fact that the real estate rental is variable at times. The combination of Rental Income, proceeds from sale of Real Estate, Social Security and Debtor's retirement funds allow the Debtor to fund the Plan. Creditors can review complete projections of Debtor's income and expenses and a valuation of the Debtor's assets (see attached Exhibit D).
- b. At time of filing, the Debtor had ten parcels of improved real estate. Debtor has closed on two parcels, has closing set for three additional parcels and has one remaining property the Debtor is trying to sell. The selling of these six parcels of real estate are to fund the plan and cover deficiencies of Byline Bank and Waterfall. These properties are:
- 4626 Lawndale Avenue, Lyons, Illinois (Projected Sale Price \$350,000.00). – This property closed during pendency of this Chapter 11 case.
 - 2853 W. Cermak Avenue, Chicago, Illinois (Projected Sale Price \$139,500.00). This property has a pending closing.
 - 2851 W. Cermak Avenue, Chicago, Illinois (Projected Sale Price \$139,500.00). This property has a pending closing.

- 50438 51st Avenue, Lawrence, Michigan (Projected Sale Price \$250,000).
This property has a pending closing.

- 34242 Vauzhill Drive, Paw Paw, Michigan (Projected Sale Price \$200,000.00).

c. In addition to the properties listed above that Debtor is listing for sale, the Debtor owns four additional properties.

One property is encumbered buy a first security lien with Byline Bank:

- 3547 W. 26th Street, Chicago, Illinois 60623

Three of these properties are unencumbered:

- 4108 Maple Avenue, Lyons, Illinois 60534
- 1733 W. 19th Street, Chicago, Illinois 60608
- 3811 W. 26th Street, Chicago, Illinois 60623

CLASSIFICATION OF CLAIMS AND INTERESTS

The Bankruptcy Code requires that a plan of reorganization place each classified creditor's Claim in a class with other Claims or Interests that are "substantially similar." The dollar amount of a claim is usually not a basis upon which to distinguish it from other Claims.

As stated, the Plan establishes six classes of Claims. The Bankruptcy Court must independently conclude that the Plan's classification scheme is authorized, but any creditor who believes that the Plan has improperly classified any group of Claims or Interest may object to confirmation of the Plan. The Debtor believes that the Plan's classification of Claims fully complies with the requirements of the Bankruptcy Code and applicable case law.

General Terms: All Claims submitted by creditors shall be fixed and determined in

accordance with the proof of claims filed with the Clerk of the United States Bankruptcy Court. Unless otherwise specifically provided for in this Disclosure Statement following the Petition Date:

- a. No creditor shall accrue interest on its Claim after the Petition Date;
- b. If the agreement between the parties so provides, a Creditor may accrue interest on its Claim (at the rate provided in the agreement). With the exception of the Secured Claims, if so provided in the Plan of Reorganization, the Debtor does not believe that they are required to pay any interest on any Claim.
- c. After the Petition Date, each Creditor not referred to in paragraph b waives:
 1. default interest;
 2. penalties; the right to accelerate payment; and
 3. Contractual attorney's fees.
- d. Effect of Filing and/or Not Filing Claims-Each Creditor, who has filed a proof of claim, is not bound by the Debtor's estimates of Claims against it. Any creditor, who did not file a proof of claim, is bound by the Debtor's calculation of the amount owed to that creditor. If the Debtor disputed a debt on her schedules and the Creditor in question did not file a proof of claim, the debt shall be deemed disallowed. Claims for expenses of administration may be allowed in the discretion of the Bankruptcy Court and for amounts over which the Debtor have no control.

3.1 TREATMENT OF UNIMPAIRED CLAIMS

The following classes are unimpaired by the Plan in accordance with Section 1124 of the Bankruptcy Code or are not required to be classified in this Plan of Reorganization under provisions of the Bankruptcy Code

Administrative Expenses. These claimants represent claims arising post-petition. Any Administrative Expense that is an Allowed Claim shall be paid by the Reorganized Debtor, in full, in cash or as otherwise agreed. Payment of Professional Fees shall be subject to the provisions of Section 330(a) and 331 of the Bankruptcy Code or as otherwise provided by the Plan. United States Trustee and other bankruptcy fees shall be paid in full on or before the Effective Date or as they come due thereafter. The source of payment for these amounts will be the Debtor's income from operations and from employment. The Debtor expects Administrative Claims will be approximately \$60,000.00 as of the Effective date.

CLASS 1 - Secured Claim of CitiMortgage, Inc. as US Bank N.A. as Trustee. Citimortgage, Inc. asserts in its Proof of Claim 2 that it holds a perfected first mortgage on the real estate commonly known as 4134 Fishermans Terrace, Lyons, Illinois in the amount of \$121,875.59. Debtor shall continue to make monthly payments in the amount of \$1,709.15 per month in accordance with the terms of the underlying loan documents, which shall be increased or decreased as necessary to reflect changes in variable interest rates and escrow requirements

3.2 TREATMENT OF IMPAIRED CLAIMS

The claims in the Classes listed below are impaired by the Plan:

A. ALLOWED SECURED CLAIMS THAT ARE IMPAIRED

Claimants together include each Allowed Secured Claim held by a Creditor that is secured by one or more of the Debtor' Assets and is not disputed, contingent or unliquidated and allowed as of the effective date. Each creditor shall be paid as stated in the detail under each claim.

i. Class 2 - Secured Claim of Byline

Byline asserts in its amended Allowed Secured Claim that it has a perfected first priority lien on: (1) the 2853 Cermak Property; and (2) the 26th Street Property.

Byline's amended Allowed Secured Claim is in the amount of \$585,378.27.

The Class 2 Claim will be paid as follows:

- a. The debtor will tender an additional \$90,000.00 in cash from her non-exempt mutual fund accounts to pay any remaining balance_
- b. Byline has a valid first priority lien on the 2853 Cermak Property. Debtor

has listed the 2853 Cermak Property for sale at the price of \$139,500.00. The proceeds of the sale of the 2853 Cermak Property shall be paid at closing of the sale to Byline.

The Debtor will sell the 2853 Cermak Property in accordance with the Court Order entered on August 29, 2016 in the gross amount of \$100,000.00 by wire transfer.

- c. The Debtor will pay Byline \$89,710.03 by wire transfer from proceeds of the sale of 50438 52st Street, Lawrence, Michigan 49064;
- d. Byline has a valid first priority lien on the 26th Street Property. After the application of the proceeds of sale and the cash payment of \$90,000.00, the remaining secured claim to Byline is approximately \$312,021.48. The 26th Street Property as collateral, shall be combined, recast and restructured (the "**Restructured Promissory Note**").

The Restructured Promissory Note shall include interest at the rate of 5.25% with a maturing fifteen years from the effective date. The Debtor will make monthly payments in the amount of \$2,507.27 for approximately fifteen years. The Restructured Promissory Note may be prepaid without penalty. Once Byline's secured claim has been paid, in full, Byline shall cause the security interests to be released and any other loan documentation, to be cancelled and surrendered as satisfied. Byline Bank's secured claim is impaired under the Plan.

If at any point during the 15 years of the restructured promissory note, Debtor sells the property located at 34242 Vauxhill Drive, Paw Paw,

Michigan 49079, fifty percent (50%) of the net proceeds of sale shall be tendered to Byline Bank as a pre-payment on the restructured promissory note;

- e. The Debtor shall be responsible for and make all payments for real estate taxes and insurance directly.

ii. Class 3 - Secured Claim of Waterfall

Waterfall asserts in its amended Allowed Secured Claim that it has a perfected first priority lien on the 2851 Cermak Property.

Waterfalls' amended Allowed Secured Claim is in the approximate amount of \$327,216.77.

The Class 3 Claim will be paid as follows:

- a. The debtor will tender \$90,000.00 in cash from her non-exempt mutual fund accounts to Waterfall.
- b. Waterfall has a perfected first priority mortgage as to the 2851 Cermak Property. The 2851 Cermak Property is cross-collateralized with the Lawndale Property. The Debtor has listed the 2851 Cermak Property for sale at the price of \$139,500, with the proceeds of the sale to be applied against Waterfall's Allowed Secured Claim.

The Debtor will sell the 2851 Cermak Property in accordance with the Court Order entered on August 29, 2016 in the gross amount of \$75,000.00

- c. The Debtor will pay Waterfall an additional \$89,710.03 by wire transfer from the sale of from the proceeds of the sale of the 50438 51st Avenue,

Lawrence, Michigan 49064;

- d. By agreement, the Debtor will tender a lump sum payment of \$30,000.00 to resolve any remaining balance due to Waterfall. If approved, the Debtor will pay the lump sum payment within 60 days of confirmation in the amount of \$30,000.00 to payoff the Waterfall account in full.

In the alternative, if the settlement has not been approved on or before confirmation, the Debtor will pay Waterfall the sum of \$72,506.73 with monthly installments of \$582.87 for fifteen years which includes interest in the amount of 5.25%. If at any point during the 15 years of the on payments to Waterfall, the Debtor sells the property located at 34242 Vauxhill Drive, Paw Paw, Michigan 49079, fifty percent (50%) of the proceeds of sale shall be tendered to Waterfall as pre-payment.

- e. The Debtor shall be responsible for and make all payments for real estate taxes and insurance directly up to the date of closing.

iii. Class 4 - Secured Claim of Cook County Treasurer ("Cook County")

Cook County asserts in its Proof of Claim 3 that Debtor owes Real Estate Taxes in the amount of \$2,557.06 plus interest in the amount of 1.5% monthly. The real estate taxes on the real estate commonly known as 2851 W. Cermak Avenue, Chicago, Illinois (PIN: 16-25-105-012-0000) in the amount of \$1,937.31 shall be paid in full at closing and 4262 Lawndale Avenue, Lyons, Illinois (PIN: 18-02-421-022-0000) in the amount of \$619.75 has already been paid at closing.

iv. **Class 5 - Impaired Secured Claim of Lawrence Township**

Lawrence Township (“Lawrence”) did not file a proof of claim. The Debtor owes Real Estate Taxes in the amount of \$6,907.29 plus interest in the amount of 1.5% monthly. The real estate taxes on the real estate commonly known as 50438 51st Avenue, Lawrence, Michigan. the Real Estate Taxes will be paid 100% of the remaining balance at closing

B. **ALLOWED GENERAL UNSECURED CLAIMS**

i. **Class 6 - Allowed General Unsecured Claims:**

There are three creditors that make up the total of \$11,878.95 in Claims:

- a. American Express (\$2,013.49);
- b. Navient (\$9,266.45); and
- c. Peoples Gas (\$599.00)

Debtor will pay these claims in cash in full on or before June 30, 2017. Should the sale of the Michigan properties leave proceeds that exceed the balance due to Byline and Waterfall, \$15,000.00 from the proceeds of the sale shall be tendered to Class 6 creditors to pay in full upon closing or confirmation whichever date is later.

C. **DEFAULT OR DEFICIENCY OF WATERFALL AND BYLINE CLAIMS**

In the event that the Debtor has been unable to close on any or all of the Rental Real Estate to make the above-required payments, the Debtor will surrender the Rental Real Estate. Byline’s secured claim as to the 26th Street Property shall be incorporated into the Restructured Promissory Note and paid in full on or before August 30, 2021. Byline will be allowed a deficiency claim for any and all

amounts not paid in full or incorporated into the Restructured Promissory Note. Waterfall will be allowed a deficiency claim for any and all amounts not paid in full as set forth in section 3.2(A)(ii) above. To ensure payment of all defaults or deficiency claims, the Debtor proposes the following measures:

- a. Immediately upon Confirmation of the Plan, the Debtor shall refrain from using any funds in the Investment Accounts except as set forth above in paragraphs 3.2(A)(i)(b) and 3.2(A)(ii)(c). The Debtor will send statements upon receipt to counsel for Byline and Waterfall to verify the funds are intact.
- b. The Debtor will execute all required documentation to allow consent foreclosure or deed in lieu, as determined by the respective mortgagee, to be recorded without any additional costs to either Byline or Waterfall.
- c. In order to expedite the sale of the respective Rental Real Estate, a liquidating officer chosen by Byline and Waterfall to sell any of the following Rental Real Estate still in Debtor's possession on the effective date in whatever means they deem appropriate and apply any proceeds against the respective Allowed Secured Claims:
 - a. 2851 Cermak Avenue, Chicago, Illinois, 60623
 - b. 2853 Cermak Avenue, Chicago, Illinois, 60623
 - c. 50438 51st Avenue, Lawrence, Michigan 49064
 - d. 34242 Vauxhill Drive, Paw Paw, Michigan 49079
- d. Except as set forth above in paragraphs 3.2(A)(i)(b) and 3.2(A)(ii)(c), upon completion of the sale of all Byline and Waterfall Rental Real Estate,

the funds in the non-exempt Investment Accounts and sale proceeds from the Michigan Properties shall be distributed to Waterfall and Byline to cure any outstanding deficiency.

- e. After satisfaction in full of Byline's Allowed Secured Claim, including execution of the Restructured Promissory Note and related mortgage, Byline will tender a release and satisfaction of its prepetition liens, claims, and encumbrances.
- f. After satisfaction in full of Waterfall's Allowed Secured Claim, Waterfall will tender a release and satisfaction of its claim.
- g. After satisfaction in full of Byline's Allowed Secured Claim and Waterfall's Allowed Secured Claim, any surplus funds or proceeds from the sale of the Rental Real Estate or Investment Accounts shall be turned over and/or re-vest with the reorganized Debtor.

D. INTERESTS OF THE DEBTOR

The Debtor shall retain her ownership interest in the 26th Street Property after sale or satisfaction of the terms set forth in this Plan, including, but not limited to, execution of the Restructured Promissory Note and related mortgage. The Debtor shall only retain her ownership interests in all other proceeds or assets should any remain after the liquidation and sale of the Rental Real Estate (except for the 26th Street Property), Investment Accounts, and her continuing social security payments.

CLAIMS OBJECTIONS

To the extent that the Debtor objects to any Claim, it is expected that these objections may be filed either before or after Confirmation of the Plan, but will not be fully resolved until after Confirmation of the Plan. Debtor may file objections because 1) a creditor filed duplicate claims, 2) because a creditor has filed a claim designating it to be in the wrong class, or 3) because the amount of the claim as filed is an unliquidated amount due which will need to be liquidated. Any claim objection that is sustained shall modify this Plan and the amount provided for that creditor.

PURPOSE OF DISCLOSURE STATEMENT

This Disclosure Statement is provided to all of the known holders of Claims against and Interests in the Debtor. The purpose of this Disclosure Statement is to provide sufficient information to enable a hypothetical, reasonable investor, typical of the holder of Claims, which are impaired under the Plan, to make an informed judgment about the Plan.

Unless specifically stated to be from other sources, the information contained in this Disclosure Statement has been submitted by the Debtor. 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.

CONFIRMATION OF PLAN

The Debtor is providing a copy of this Disclosure Statement to each Creditor whose Claim has been scheduled by the Debtor or who has filed a proof of claim in the Debtor's case. The Debtor intends that this Disclosure Statement will assist creditors whose Claims are impaired in evaluating the Plan and in determining whether to accept or reject the Plan.

Under the Bankruptcy Code, an interested party may not solicit acceptance of the Plan unless (a) that interested party furnishes a copy of a disclosure statement before or concurrently with solicitation or (b) the Bankruptcy Court has authorized the interested party to solicit votes.

A quick overview of the process for the confirmation of a reorganization plan may be useful. For a bankruptcy court to approve a proposed reorganization plan, the Plan's proponent must show that the Plan satisfies the 13 requirements of Section 1129 of the Bankruptcy Code, if they are applicable. They are: (1) the Plan's compliance with Title 11, (2) the proponent's (in this case the Debtor's) compliance with Title 11, (3) the good faith proposal of the Plan, (4) the disclosure of payment, (5) the identification of management, (6) the regulatory approval of rate changes, if applicable, (7) the "best interest" test, (8) the unanimous acceptance by impaired classes, (9) the treatment of administrative and Priority Claims, (10) the acceptance by at least one impaired class of Claims, (11) the feasibility of the plan, (12) the bankruptcy fees, and (13) retiree benefits. See Section 1129(a)(1)-(13) of the Bankruptcy Code. If, however, a plan is not approved by all of the impaired classes, as required by Section 1129(a)(8) of the Bankruptcy Code, it is still possible for a plan to be confirmed. If at least one the non-insider, impaired classes of Claims approves the plan, then a plan may be confirmed if two additional requirements are met. See 1129(a)(8) of the Bankruptcy Code. If the Bankruptcy Court finds that all of the applicable requirements of Section 1129(a) of the Bankruptcy Code are met except for Section 1129(a)(8) of the Bankruptcy Code and also that the plan does not discriminate unfairly between impaired classes and is fair and equitable to the rejecting classes, then the Bankruptcy Court may confirm the plan. See Section 1129(b)(1)-(2) of the Bankruptcy Code.

EFFECT OF CONFIRMATION

The provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor, equity security holder, or general partner in the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired under the plan and whether or not such creditor, equity security holder, or general partner has accepted the plan.

Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.

Confirmation of the Plan does not discharge any debt provided for in the Plan and the Plan is not completed until Plan payments are completed.

PERSONS ENTITLED TO VOTE ON PLAN

The Bankruptcy Court, in connection with confirmation of the Plan, will only count the votes of classes of creditors whose Claims are allowed and who the Debtor seeks to impair under the Plan. Generally, and subject to the specific provisions of Section 1124 of the Bankruptcy Code, this includes the allowed amounts of her respective Claims on the “Effective Date.” The Debtor’s Plan seeks to impair the Claims of Class Two, Three and Six.

Any ballot that accompanies this Disclosure Statement does not constitute a proof of claim. If you are uncertain whether your claim has been correctly scheduled, you may examine the Debtor’s schedules which are on file with, and may be inspected at the Office of the Clerk of the Bankruptcy Court, 219 S. Dearborn, Chicago, Illinois.

The Bankruptcy Court at the confirmation hearing must determine, among other things, whether each class of creditors whose Claims are impaired by the Plan has accepted the Plan. Under Section 1126 of the Bankruptcy Code, an impaired 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. Further, unless there is unanimous acceptance of the Plan by an impaired class, the Bankruptcy Court must also determine whether under the Plan class members will receive property of a value, as of the effective date of the Plan, that is not less than the amount that such class members would receive or retain, if a Chapter 7 trustee liquidated the Debtor's property under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

SOURCES OF INFORMATION

In preparing this Disclosure Statement, counsel for the Debtor relied upon the utilized the following:

- (1) Income and Expense records;
- (2) Financial records; and Estimation of the Debtor's future income and financial information; and
- (3) Discussions with the Debtor.

HISTORY AND BACKGROUND

The Debtor is an individual who own several pieces of investment property. This bankruptcy was caused by the Debtor being unable to pay her debts as a result of the economy. The Debtor now has sufficient income and assets to fund the Plan of Reorganization.

POST-PETITION ACTIVITIES

On March 3, 2015, Debtor filed her voluntary petition for relief under Chapter 11 of the Bankruptcy Code. During the course of this reorganization case, the Debtor continued

and will continue with the business operations of the rental of real estate. Since the date of filing, the Debtor has filed operating reports as required. The operating reports filed by the Debtor show the ability to make the proposed payments along with the assistance of her retirement funds and selling of real estate. (See attached Exhibit E, a summary of Operating Reports)

OTHER ASPECTS OF THE PLAN

The Debtor shall be disbursing agent under the Plan.

The contract between Debtor and Jorge Vigil for the sale of Real Estate is rejected effective as of August 30, 2015.

All additional executory contracts not previously assumed, assigned or rejected which exist between the Debtor and any another party, whether oral or in writing, shall be deemed assumed as of Confirmation of the Plan. Further, all of the Debtor's assets shall vest in the Debtor upon Confirmation of the Plan, subject only to the terms and conditions of the Plan. The Debtor shall be entitled to manage her affairs and operate her business after Confirmation without further Order of the Bankruptcy Court.

The Plan is self-executing. The Debtor shall not be required to execute any newly created documents to effectuate the terms of the Plan. The Bankruptcy Court shall retain jurisdiction after Confirmation of the Plan of Reorganization to: (i) consider applications for fees and allowances for professional persons; (ii) supervise the implementation of this plan; (iii) consider objections to claims against the estate of the debtor; (iv) hear and conclude all adversary proceedings or contested matters; (v) resolve disputes regarding interpretation of this Plan; (vi) fix expenses of administration; (vii) enter Orders to further consummation of the Plan; (viii) approve modifications of the Plan upon motions brought before the Bankruptcy

Court; (ix) consider all applications and matters pending before the Bankruptcy Court on the Confirmation Date; (x) hear and conclude any adversary proceedings and other matters relating or giving rise to litigation recoveries; (xi) enter any order, including injunctions, necessary to enforce title, rights and powers of the debtor, and to impose as the Bankruptcy Court may deem necessary; and (xii) enter an Order concluding and terminating this Chapter 11 case.

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 accrued or be paid to any creditor.

LIQUIDATION ANALYSIS

Failure of the Debtor to obtain Confirmation of her Plan could result in a forced liquidation or a conversion to a case under Chapter 7 of the Bankruptcy Code. The following comparison indicates the likely results of a forced liquidation.

All of the Debtor's investment real property has declined in value as a result of the housing slump occurring in this country. The debtor has placed for sale sufficient real estate in order to cover all of her claims. If the properties went to foreclosure it is likely the mortgage on some of the properties would not be satisfied in whole or in part resulting in a deficiency balance which would potentially discharged in a Chapter 7 proceeding. Confirmation of this Plan will allow the Tax Claim to be paid in full, Byline Bank and Citimortgage should recover 100% of their balance and all unsecured creditors are being paid at 100%.

Should this matter convert to a Chapter 7, it would cause another layer of administrative costs to be added, such as; (i) costs of sale; (ii) Trustee's fees; and (iii) fees to trustee's counsel.

All creditors will receive the same if not more funds in the Plan of Reorganization than any creditor would receive in a liquidation of the Debtor's assets.

(See attached liquidation analysis - Exhibit C)

MEANS FOR IMPLEMENTING THE PLAN

The Debtor intend to continue the operations of her real estate business which, in conjunction with the Debtor other sources of income and retirement funds, should generate a profit sufficient to pay the monies required under this Plan. All distributions under the Plan will be made from income as a going concern.

FEASIBILITY AND FAIRNESS OF PLAN

Attached to this Disclosure Statement, as an Exhibit is a Summary of the Operating Reports. Also attached to this Disclosure Statement is a projection of future income. The purpose of Projection of Future Income is to show the anticipated cash flow. The Debtor represents that the figures shown in the operating reports are historical figures and the Debtor anticipates that the income and expenses as shown will continue. The purpose of these Exhibits is also to provide creditors with projected financial information concerning the Debtor's ability to make the payments under the Plan. These projections were prepared by the Debtor and are based upon past history as demonstrated by the Operating Reports filed with the court. It is believed and represented that financial history has been steady and this income and expenses are expected to continue.

The Plan is feasible given the reasonable projections of the Debtor, the selling of real estate and the using of retirement funds. These projections clearly reflect the Debtor's ability to perform under the proposed Plan.

The Debtor believes that this Plan represents an opportunity for the holders of Allowed Claims to receive substantially more than such claimants would receive in a forced liquidation. Given the conservative financial projections and the Debtor's performance, the Plan is also fair.

RECOMMENDATION

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

Ada A. Giron,

By: /s/Penelope N. Bach
Penelope N. Bach, one of her attorneys

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