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

In Re:)	
)	
JULIE T. HO,)	NO. 15-35338
)	
Debtor)	
)	Chapter 11
)	
)	Honorable Judge Carol A. Doyle

AMENDED DISCLOSURE STATEMENT

JULIE T. HO, Debtor and Debtor in Possession herein, by and through her attorneys Paul M. Bach and Penelope N. Bach of Sulaiman Law Group, Ltd., files this Amended Disclosure Statement (“Disclosure Statement”) pursuant to Section 1125 of the Bankruptcy Code and in conjunction with her Amended Plan of Reorganization (“Plan”). A copy of the Plan is attached to this Disclosure Statement as Exhibit A.

INDRODUCTION

The Debtor filed her voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code on October 16, 2015. The Debtor has operated her businesses of Rental Real Estate, Skippy’s Gyros II 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 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 operation of her Rental Real Estate and Skippy’s Gyros II.

The attached Exhibit B lists each creditor and states the class and the amount of the allowed claim(s) of each creditor. After determining, 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.

	TOTAL \$ AMOUNT TO BE PAID	TIMING OF PAYMENTS	NUMBER OF CLAIMS AND AMOUNT TO BE PAID IN PLAN
Administrative Claims	\$40,000 (estimated)	Effective date of Plan	Debtor's attorney and United States Trustee (100%)
Class 1 - Secured JPMorgan Chase Bank	\$387,814.36	\$2,806.05/month current payment	One claim to be paid current payment plus interest at 5% for 30 years
Class 2 - Secured Citimortgage	\$303,216.47	\$2,300.66/month current payment	One claim to be paid current payment plus interest at 4.625% for 30 years
Class 3 -Secured Fifth Third Bank	\$234,147.74	\$2,607.61/month current payment	One claim to be paid current payment plus interest at 6.5 percent for 30 years
Class 4 - Priority Illinois Department of Revenue	\$48,433.16	one payment	One claim to be paid 100%
Class 5 - Unsecured See Exhibit B for Class Composition	\$189,559.83	One Payment 13.74%	15 claims to be paid

SUMMARY OF TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN

As stated in detail below, the Debtor owns three improved parcels of real estate. Approximately forty percent (40%) of the creditors' claims relate to the real estate (\$924,804.93). The Debtor also has one priority claim owed to the Illinois Department of Revenue in the amount of \$48,433.16. The remaining unsecured claims total the amount of \$1,379,179.78 which includes Advocate Home Health Services (\$1,900.00), American Express (\$3,626.00), Capital One Bank (USA), N.A. (\$8,893.37), City of Chicago (\$1,550.40), Discovery Bank (1,706.33), Illinois Department of Revenue (\$16,011.20), Internal Revenue Service (\$3,500.00), Spark Energy (\$855.00), and Urban Partnership Bank (928,137.48), Dawn Truong (\$28,000.00), Diep Truong (\$80,000.00 and \$30,000.00), Hieu Truong (\$225,000.00), Loan Truong (\$10,000.00), and Paul Scandio (\$40,000.00).

The Debtor is reorganizing her affairs in this case to allow for payments to her creditors over a period of time that will pay full balances to her secured and priority creditors and to allow for payments to unsecured creditors that will pay unsecured creditors the liquidated value of the Debtor's assets (\$237,992.99) . Upon confirmation of this Amended Plan, the Debtor's family will transfer the amount of \$211,662.95 into the Debtor in Possession Account in order to payoff all unsecured creditors in accordance with this Plan. A summary of the Plan provisions is as follows:

1. JPMorgan Chase Bank, NA ("Chase") - 1902 W. Wabansia, Chicago, Illinois:
Debtor will recast and restructure the secured claim of Chase by paying the full balance of \$387,814.36 over 30 years at 5% interest. (\$2,081.87/month plus escrow of \$754.18)
2. Citimortgage ("Citi") – 1904 W. Wabansia, Chicago, Illinois: Debtor will recast

and restructure the secured claim of Chase by paying the full balance of \$303,216.47 over 30 years at 4.625% interest resulting in principal and interest payments of \$1,558.96/mo plus escrow of \$741.70/mo = \$2,300.66.

3. Fifth Third Bank (“FTB”) – 2450 W. Courtland, Chicago, Illinois: Debtor will recast and restructure the secured claim of Chase by paying the full balance of \$234,147.74 over 30 years at 6.5% interest. (\$1,479.97/month)
4. Illinois Department of Revenue (“IDOR”) – Priority Claim: Debtor will pay the priority claim to IDOR in full within 60 days of the effective date from funds given by Debtor’s family members.
5. General Unsecured Creditors will receive a pro-rata share (13.74%) of \$189,559.83 remaining from the funds tendered by Debtor’s family members. The payments to unsecured creditors will be made within 60 days of the effective date.
6. Upon completion of payments to Priority and Unsecured Creditors as listed in the Plan of Reorganization, the Debtor will be entitled to a seek Discharge

b. CREDITOR CLAIMS:

1. The following parties have filed or have secured claims and are being treated as secured under the Plan: JPMorgan Chase, NA (“Chase”), CitiMortgage (“Citi”) and Fifth Third Bank (“FTB”).
2. There is one class of Priority Claims that is being treated under the plan: Illinois Department of Revenue in the amount of \$48,433.16.
3. There is one class of unsecured claims: There are fifteen creditors that make up the class and a total claimed amount of \$1,379,179.78, which will be paid in the

amount of 189,559.83 in Claims. (13.74%)

Creditor	Claim Amount
Advocate Home Health Services	\$ 1,900.00
American Express	\$ 3,626.00
Capital One Bank (USA), N.A.	\$ 8,893.37
City of Chicago	\$ 1,550.40
Dawn Truong	\$ 28,000.00
Diep Truong	\$ 80,000.00
Diep Truong	\$ 30,000.00
Discovery Bank	\$ 1,706.33
Hieu Truong	\$ 225,000.00
Illinois Department of Revenue	\$ 16,011.20
Internal Revenue Service	\$ 3,500.00
Loan Truong	\$ 10,000.00
Paul Scandio	\$ 40,000.00
Spark Energy	\$ 855.00
Urban Partnership Bank	\$ 928,137.48
Total	\$ 1,379,179.78

4. Secured Claims will be paid interest on payments subsequent to October 16, 2015 at the rate of interest provided under each individual claim.
5. 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 rental of real estate, Skippy's Gyros II and from contributions from family members. 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 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 and Skippy's Gyros II will 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. The debtor's income does not follow a normal distribution. She sometimes receives positive net income in one or more months which is followed by one or more months of losses. The Debtor projects income sufficient on average to make all required payments under the Plan.

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 five 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

i. 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 \$40,000.00 as of the Effective date.

3.2 TREATMENT OF IMPAIRED CLAIMS

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

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's 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 1- Secured Claim of Chase

ii.

JPMorgan Chase Bank, NA as to the 1902 Wabansia Property, Chicago, Illinois. Chase asserts in its Proof of Claim (Number 8) that it holds a perfected first mortgage on the real estate commonly known as 1902 W. Wabansia, Chicago, Illinois in the amount of \$387,814.36. The claim of Chase is fully secured in the amount of \$387,814.36 and will be paid as follows:

The secured claim of Chase in the amount of \$387,814.36 shall be combined recast and restructured (the "Chase Restructured Promissory Note"). The Chase Restructured Promissory Note shall be in the amount of \$387,814.36 at the rate of 5% for thirty

years. The Debtor will pay Chase the amount of \$2,806.05 per month payable on the 1st of the month until paid in full (thirty years) beginning the month following the effective date. This payment represents a payment of \$2,081.87 in principal and interest and \$754.18 in escrow. The escrow payment is subject to change pursuant to the terms of the original contract entered into by the parties. Creditor shall continue to escrow taxes and insurance on the property.

The Chase Restructured Promissory Note may be prepaid without penalty. Once Chase's secured claim has been paid, in full, Chase shall cause the alleged security interests to be released and any other loan documentation, to be cancelled and surrendered as satisfied. Chase's secured claim is impaired under the Plan.

Any term in the original Note and Mortgage not modified by the terms above shall remain in full force and effect.

iii. Class 2 - Secured Claim of Citi

Citimortgage as to the 1904 Wabansia Property, Chicago, Illinois. Citi asserts in its Proof of Claim (Number 9) that it holds a perfected first mortgage on the real estate commonly known as 1904 W. Wabansia, Chicago, Illinois in the amount of \$303,216.47. The claim of Citi is fully secured in the amount of \$303,216.47 and will be paid as follows:

The secured claim of Citi in the amount of \$303,216.47 shall be combined recast and restructured (the "Citi Restructured Promissory Note"). The Citi Restructured Promissory Note shall be in the amount of \$303,216.47 at the rate of 4.625% for thirty years. The Debtor will pay Citi the amount of \$2,300.66 which includes principal and interest payments of \$1,558.96 a month plus escrow of \$741.70 per month payable on the 1st of the month until paid in full (thirty years) beginning the month following the effective date. The escrow payment is subject to change pursuant to the terms of the original contract entered into by the parties. Creditor shall continue to escrow taxes and insurance on the property.

The Citi Restructured Promissory Note may be prepaid without penalty. Once Citi's secured claim has been paid, in full, Citi shall cause the alleged security interests to be released and any other loan documentation, to be cancelled and surrendered as satisfied. Citi's secured claim is impaired under the Plan.

Any term in the original Note and Mortgage not modified by the terms above shall remain in full force and effect.

iv. **Class 3 - Secured Claim of FTB**

Fifth Third Bank as to the 2450 Courtland, Chicago, Illinois. FTB asserts in its Proof of Claim (Number 1) that it holds a perfected first mortgage on the real estate commonly known as 2450 W. Courtland, Chicago, Illinois in the amount of \$234,147.74. The claim of FTB is fully secured in the amount of \$234,147.74 and will be paid as follows:

The secured claim of FTB in the amount of \$234,147.74 shall be combined recast and restructured (the "FTB Restructured Promissory Note"). The FTB Restructured Promissory Note shall be in the amount of \$234,147.74 at the rate of 6.5% for thirty years. The Debtor will pay FTB the amount of \$2,607.61 which includes principal and interest payments of \$1,479.97 a month plus escrow of \$1,127.64 per month payable on the 1st of the month until paid in full (thirty years) beginning the month following the effective date. The escrow payment is subject to change pursuant to the terms of the original contract entered into by the parties. Creditor shall continue to escrow taxes and insurance on the property.

The FTB Restructured Promissory Note may be prepaid without penalty. Once FTB's secured claim has been paid, in full, FTB shall cause the alleged security interests to be released and any other loan documentation, to be cancelled and surrendered as satisfied. FTB's secured claim is impaired under the Plan.

Any term in the original Note and Mortgage not modified by the terms above shall remain in full force and effect

v. **Class 4 - Priority Claim of IDOR**

IDOR asserts in its Proof of Claim 3 that Debtor owes back taxes in the amount of \$64,444.36. The Debtor will treat the priority portion of \$48,433.16 as Class four of this Plan. IDOR will be paid the amount of \$48,433.16 within 60 days of the effective date. The unsecured portion of IDOR's Proof of Claim 3 shall be treated under Class 5 – general unsecured creditors.

B. ALLOWED GENERAL UNSECURED CLAIMS

i. **Class 5 - Allowed General Unsecured Claims:**

There are sixteen creditors that make up the general unsecured claims. The below chart breaks down the treatment of general unsecured creditors:

Creditor	Amount of Allowed Claim	Total Payment	Percent of total payment
Advocate Home Health Services	\$ 1,900.00	\$ 261.14	0.14%
American Express	\$ 3,626.00	\$ 498.37	0.26%
Capital One Bank (USA), N.A.	\$ 8,893.37	\$ 1,222.34	0.64%
City of Chicago	\$ 1,550.40	\$ 213.09	0.11%
Dawn Troung	\$ 28,000.00	\$ 3,848.43	2.03%
Diep Troung	\$ 80,000.00	\$ 10,995.51	5.80%
Diep Troung	\$ 30,000.00	\$ 4,123.32	2.18%
Discovery Bank	\$ 1,706.33	\$ 234.52	0.12%
Hieu Troung	\$ 225,000.00	\$ 30,924.87	16.31%
Illinois Department of Revenue	\$ 16,011.20	\$ 2,200.64	1.16%
Internal Revenue Service	\$ 3,500.00	\$ 481.05	0.25%
Loan Troung	\$ 10,000.00	\$ 1,374.44	0.73%
Paul Scandio	\$ 40,000.00	\$ 5,497.76	2.90%
Spark Energy	\$ 855.00	\$ 117.51	0.06%
Urban Partnership Bank	\$ 928,137.48	\$ 127,566.82	67.30%
Total	\$ 1,379,179.78	\$ 189,559.83	100.00%

Debtor will pay these claims one lump sum payment 13.74% as listed above in the chart. Should the debtor sell either parcel of real estate, the proceeds of that sale will be distributed pro-rata the General Unsecured Creditors listed above.

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 Classes One through Five.

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 a separation from her husband. The Debtor now has sufficient income and assets to fund the Plan of Reorganization.

POST-PETITION ACTIVITIES

On October 16, 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 and Skippy's Gyros II. 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.

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 be accrued or 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 equity in the amount of \$237,992.99 which takes into account the costs of closing. The Debtor will maintain operations of the investment properties and will pay the full amount of equity to all unsecured creditors with approved claims (*See* Exhibit B). Confirmation of this Plan will allow the Debtor to pay off her mortgages at 100%, maintain her properties which is her primary source of income and pay creditors more than what they would receive should this case be converted to a Chapter 7.

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 intends to continue the operations of her real estate business which, in conjunction with the Debtor's restaurant Skippy's Gyros II. Debtor also has family members who has offered funds to cover the equity value of her assets which will be tendered upon confirmation. The Debtor's businesses combined with the family contribution will generate profit sufficient to pay the monies required under this Plan. All distributions under the Plan will be made from income as an ongoing 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.

Julie T. Ho,

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

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