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

In Re:)	
)	
CHARICE M. PHILLIPS,)	NO. 16-03455
)	
Debtor.)	
)	Chapter 11
)	
)	Honorable Judge Janet S. Baer

DISCLOSURE STATEMENT

CHARICE M. PHILLIPS, 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 Disclosure Statement ("Disclosure Statement") pursuant to Section 1125 of the Bankruptcy Code and in conjunction with his 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 February 5, 2016. The Debtor has 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 business (Little Beginnings Daycare), and from her Real Estate.

As stated in detail below, the Debtor owns the real estate located at 224 Lake Street, Oak Park, Illinois ("real estate"). The real estate contains three floors. The first floor is commercial and will contain a new day care owned by the Debtor. The Debtor will reside on the second floor and the third floor is rental real estate. The Plan proposes to set the secured claim of the first and only lienholder (Christiana Trust) to the fair market value of \$290,000.00. This secured claim would be paid over 20 years at 4% with payments of \$1,757.34 per month. Any unsecured claim by Christiana Trust is disallowed based on the late filing of Christiana Trust's Proof of Claim but the deficiency claim would be paid \$15,000.00 over sixty months.

The only other parcel of real estate in which the Debtor had an interest was sold via foreclosure sale pre petition (847 Madison, Oak Park, Illinois). The Bank of NY Mellon/Select Portfolio, Inc. was the holder of the first mortgage and Real Time Resolutions, Inc. was the holder of the second mortgage. Bank of NY Mellon/Select Portfolio, Inc.'s claim was disallowed (no proof of claim filed) and Real Time Resolutions has an unsecured non priority proof of claim (filed proof of claim).

The Debtor also has a tax claim (Internal Revenue Service) which will pay as a priority claim. Debtor has general allowed unsecured creditors as follows: Berwyn Police Department, City of Chicago (3 claims), Commonwealth Edison, Gregory K. Stearn, P.C., Nationwide Credit Nationwide Credit & Solutions, Inc., Navient Solutions, Real Time Solutions, Inc., Ronnie Henderson, Rush Oak Park Hospital, Real Time Resolutions, Inc., Village of Oak Park, Village of River Forest (2 claims) and WSSRA. The unsecured non priority claims filed by First Financial Investment Holdings, LLC.

This Plan provides for the payment of the Debtor's allowed secured and priority, and unsecured non priority creditors.

In Summary, there are four 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	50,000.00 Estimated		Effective Date of Plan 100%
Class 1 – Christiana Trust (Secured claim)	\$290,000.00	Monthly payment of \$1,757.34	Twenty years of payments to pay \$290,000.00 plus 4% interest
Class 2 – Naviant Solutions, Inc.	\$42,644.49	Payments of \$500.00/month	Payments of \$500.00/month until paid
Class 3 – Internal Revenue Service	\$56,937.71	Monthly \$1,138.75 until paid	Monthly Installments until paid in full but no more than sixty months after case filing.
Class 4 – General Unsecured-See Schedule B	\$62,348.29	Monthly \$1,039.14 pro rata	Monthly Installments of priority portion
Class 5 – Christiana Trust (Deficiency)	\$15,000.00	Monthly \$250.00	Monthly Installments until paid.

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 his creditors, as provided below.

In general, the Debtor will pay Administrative Claims (One Class) and five 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 \$50,000.00 as of the Effective date.

b. CREDITOR CLAIMS:

1. Christiana Trust has a secured claim and are being treated as secured under the Plan as to the real estate commonly known as 224 Lake Street, Oak Park, Illinois. The Debtor is paying \$290,000.00 plus 4% interest over 20 years for this secured claim.
2. Naviant Solutions, Inc. has an unimpaired claim as to the Debtor's Student Loan in Class 2.
3. The Internal Revenue Service has filed combined priority/unsecured non priority claims in Class 3. The claim of the Internal Revenue Service is being paid in full

within sixty months of the order for relief.

4. There are fifteen creditors that make up Class 4 and a total amount of \$62,348.29 in Unsecured Non Priority Claims as follows: Berwyn Police Department, City of Chicago (3 claims), Commonwealth Edison, Gregory K. Stearn, P.C., Nationwide Credit & Solutions, Inc., Real Time Solutions, Inc., Ronnie Henderson, Rush Oak Park Hospital, Village of Oak Park, Village of River Forest (2 claims) and WSSRA. The unsecured non priority claims filed by First Financial Investment Holdings, LLC was disallowed by the Court.
5. The Deficiency Claim of Christina Trust as to the real estate commonly known as 224 Lake Street, Oak Park Illinois is treated in Class 5 by paying a total of \$15,000.00 over sixty months with payments of \$250.00 per month.
6. Secured Claims will be not be paid interest on payments subsequent to February 5, 2016 at the rate of interest provided in the underlying security documents except as provided for under each individual claim.
7. 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.

8. Plan Funding: The Debtor will make all payments out of her future income from her business (Little Beginnings Daycare) and from rent related to 224 Lake Street, Oak Park, Illinois. The Debtor is the disbursing agent. The Debtor expects to receive net income sufficient to pay all Claims as provided. Creditors can review a detailed projection of the Debtor's Income and Expenses, which are attached as Exhibit C.

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

- a. The Debtor based her projections on historical income and in consideration of the liquidation of real estate. The combination of proceeds from sale of Real Estate, Social Security and Debtor's pension 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).

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 unless specifically allowed;
- 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 class(es) 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 \$50,000.00 as of the Effective date.

Class 2 – Claim of Naviant Solutions, Inc.

Allowed Unsecured Claim of Naviant Solutions, Inc. (Non-Dischargeable Student Loans). The Debtor will continue to pay the Allowed Class 2 Claim of in the amount of \$42,644.49 (the Non-Dischargeable Student Loan) on the same terms and conditions contained in the governing pre-petition student loan documents, which shall continue to govern the repayment of the Allowed Class 2 Claim.

Class 3 - Tax Claims of the Internal Revenue Service

Tax Claim of the Department of the Treasury-Internal Revenue Service (hereinafter called "the IRS"): The priority and unsecured tax claim (\$56,937.71) of the IRS shall be paid as follows, unless the Internal Revenue Service agrees to a different treatment: (1) The IRS will receive, on account of its priority claim, payment in full of the priority claim (\$56,937.71) plus interest at the rate of 4%. Debtor will make a total payment of \$1,138.75 per month (which should be sufficient to pay this claim in full in approximately sixty (60) months or Five years after the date of commencement;

ii. 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'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 Christiana Trust, a Division of Wilmington Savings Society, FSB, Not in Its Individual Capacity But as Trustee of ARLP Trust 3 ("Christiana Trust")

Christiana Trust asserts that it has a perfected first priority lien on the real estate located at 224 Lake Street, Oak Park, Illinois.

Christiana Trust has an Allowed Class 1 Secured Claim in the amount of \$290,000.00. This Claim will be paid in full as follows: (a) beginning on the first day of the first month following the Effective Date, the Debtor shall make monthly payments of \$1,757.34 to Christiana Trust, representing monthly installments at 4% interest per annum with a twenty year amortization. Payments shall be made on the first day of each month thereafter until paid in full after giving credit for the adequate protection payments made. The Debtor may prepay some or all of the Allowed Class 1 Claim without penalty.

Taxes and Insurance. Post-filing, the Reorganized Debtor shall be solely responsible for payment of all real estate taxes on the 224 Lake Street, Oak Park, Illinois Property and shall be responsible for maintaining hazard insurance on the 224 Lake Street, Oak Park, Illinois Property.

Retention of Lien. Christiana Trust will retain its lien against the 224 Lake Street, Oak Park, Illinois Property to the same extent and priority as it had as of the Petition Date, unless otherwise modified by the Plan. In the event the Reorganized Debtor defaults under the Plan with respect to payment of the Allowed Class 1 Claim, SunTrust Bank's sole recourse shall be its *in rem* claim against the 224 Lake Street, Oak Park, Illinois Property.

Prepetition Loan Documents. With the exception of the modifications set forth in this Plan, the terms of the note and mortgage secured by Christiana Trust's Class 1 Claim shall remain in full force and effect.

Disposition of the 224 Lake Street, Oak Park, Illinois Property. In the event the Debtor seeks to sell or refinance the 224 Lake Street, Oak Park, Illinois and pay the Allowed Class 1 Claim in full, Christiana Trust shall cooperate with the Debtor and shall provide all information and documentation reasonably requested by Debtor to effectuate such refinancing or sale (e.g., a payoff letter).

Release. Upon payment of the Allowed Class 1 Secured Claim in full, Christiana Trust shall timely file a release of its mortgage lien against the 224 Lake Street, Oak Park, Illinois property.

Class 4 - Allowed General Unsecured Claims:

Each Holder of Allowed Class 4 Claims (those which are Objected to will be counted as disallowed) totaling \$62,348.29 shall be paid without interest of all Claims held by such Holders beginning thirty days after Plan confirmation until paid in full with a payment each month of \$1,039.14 pro rata.

Class 5 – Allowed Deficiency Claim of Christiana Trust:

Class 5 consists of the unsecured deficiency portion of Christiana Trust's Claim that is determined to be unsecured non priority. Christiana Trust's Claim IS NOT AN "Allowed Claim" in this Case because Christiana's Claim was scheduled as a disputed Claim and Christiana Trust did not file a timely Proof of Claim. Christiana Trust Mortgage's Claim, however, is secured by a mortgage on the 224 Lake Street, Oak Park, Illinois property and the Debtor proposes to make a distribution on account of the Secured portion of Christiana Trust Mortgage's Claim under the Plan in complete satisfaction of Christiana Trust Mortgage's Claim in Claim 1 Based upon the proposed Determined Value of the 224 Lake Street, Oak Park, Illinois property of \$290,000.00 and the priority of Christiana Trust's lien, the Debtor expects that Christiana Trust will have a Class 1 Claim secured in the amount of \$290,000.00. The total claim of Christiana Trust is \$740,337.96 leaving an unsecured nonpriority deficiency claim of \$450,337.98.

Based on that amount the Debtor will pay \$15,000.00 in full satisfaction of the deficiency claim without interest of all Claims held by such Holders beginning thirty days after Plan confirmation until paid with a payment each month of \$250.00 per month pro rata.

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 One, Four and 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

This bankruptcy was caused by the Debtor being unable to pay her debts as a result of the economy.

POST-PETITION ACTIVITIES

On February 5, 2016, 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 and with 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 his 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 rejected as of Confirmation of the Plan except for the lease of the third floor of 224 Lake

Street, Oak Park, Illinois. Further, all of the Debtor's assets shall vest in the Debtor upon Confirmation of the Plan (including all causes of action existing at the time of filing or have accrued since the filing of the bankruptcy case), subject only to the terms and conditions of the Plan. The Debtor shall be entitled to manage his 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 his 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.

Debtor's 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.

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 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.

Charice M. Phillips,

By: /s/Paul M. Bach
Paul M. Bach, one of her attorneys

DEBTOR'S COUNSEL:
Paul M. Bach
Penelope N. Bach
Bach Law Offices
PO Box 1285
Northbrook, Illinois 60062
(847) 564-0808
(847) 564-0985