

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE:)	Chapter 11
)	
)	Case No. 16-20463
A CHICAGO CONVENTION)	
CENTER, LLC,)	Hon. Deborah Thorne
)	Room 613
Debtor.)	
)	
)	

**DISCLOSURE STATEMENT TO THE PLAN OF
REORGANIZATION FILED BY
A CHICAGO CONVENTION CENTER, LLC, DEBTOR**

Dated: September 21, 2016

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DISCLOSURE STATEMENT WITH RESPECT TO PLAN OF REORGANIZATION FILED BY A CHICAGO CONVENTION CENTER, LLC.¹

NOW COMES Debtor, A CHICAGO CONVENTION CENTER, LLC (“Debtor” or “ACCC”), by its attorneys, Ariel Weissberg and the law offices of Weissberg and Associates, Ltd., and pursuant to 11 U.S.C. §1125 proposes this Disclosure Statement.

I. INTRODUCTION

1. On June 23, 2016, ACCC filed a voluntary petition in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division seeking to reorganize under Chapter 11 of the Bankruptcy Code.

A. ACCC, the Property and the Claims of Cathay Bank

2. ACCC is a member-managed limited liability company organized in Illinois on January 24, 2011. The sole member of ACCC is Ravinder Sethi. ACCC owns the real property located at 8201 West Higgins Road, Chicago, Illinois 60631 (the “Property”). The Property is approximately 2.8 acres of vacant land located just east of the O’Hare International Airport along the Kennedy Expressway off of the Cumberland Road exit.

3. The Property is encumbered by two (2) liens: (a) the first mortgage indebtedness due to the Cathay Bank (“Cathay Bank”) in the amount of \$9,658,879.74 (as of May 18, 2016 \$7,498,175.28 in principal, \$2,048,580.30 in accrued interest and costs of \$112,124.16); and (b) the mechanics lien claim of Quality Excavators, Inc.(“Quality”) in the amount of \$100,000.00. A description of the structure of the indebtedness due to Cathay Bank and the extensive collateral for the indebtedness is instructive.

4. Cathay Bank has a security interest in the Property by virtue of a mortgage, assignment of leases and rents, security agreement and fixture filing (collectively the "Higgins

¹ All capitalized terms shall have the same meaning and definition as provided in the Plan of Reorganization filed contemporaneously herewith

Mortgage"), as amended from time to time, effective March 20, 2008 and recorded on March 21, 2008 as Document No. 0808144032 with the Cook County Recorder of Deeds. The Higgins Mortgage was executed by Rass Hospitality, LLC ("Rass") in favor of Cathay Bank as security for a promissory note (3 year adjustable) executed by Rass in favor of Cathay Bank, effective March 20, 2008 in the original principal amount of \$6,000,000.00 (the "Higgins Note" evidencing the "Higgins Loan"). Effective May 1, 2012, Rass, ACCC, Ravinder Sethi ("Ravinder"), Anshoo Sethi, and A & A Hospitality, LLC executed a Loan Assumption and Ratification Agreement (the "Assumption Agreement") in favor of Cathay Bank by which ACCC assumed all of Rass's obligations on the Higgins Loan, and simultaneously became the fee simple owner of the Property.

5. Also, Cathay Bank has a first mortgage indebtedness secured by the real properties located at 5721-23 West 35th Street, Cicero, Illinois 60804 (West 35th Street Property"), 6302-04 West 26th Street, Berwyn, Illinois 60402 (West 26th Street Property), 831 East 162nd Street, South Holland, Illinois 60473 (East 162nd Street Property), 335 East 51st Street, Chicago, Illinois 60615 ("East 51st Street Property"), and 16703 South Cicero Avenue, Oak Forest, Illinois 60452 ("South Cicero Property") (collectively the "Commercial Properties") by virtue of a mortgage, as amended from time to time, effective October 18, 2007 and recorded with the Cook County Recorder of Deeds on November 8, 2007 as Document No. 0731242085(the "Commercial Mortgage"). The Commercial Mortgage was executed by Ravinder and Ranjna Sethi ("Ranjna") in favor of Cathay Bank as security for a promissory note (fixed) executed by Ravinder and Ranjna in favor of Cathay Bank, effective February 1, 2013 in the original principal amount of \$1,357,550.25 (the "Commercial Note" evidencing the "Commercial Loan").

6. Relating to the Commercial Properties, Ravinder and Ranjna are the joint owners of the West 35th Street Property, West 26th Street Property, East 162nd Street Property and the East 51st Street Property, and Ravinder is the sole owner of the South Cicero Property.

7. Also, Cathay Bank has a security interest in the primary residence of Ravinder and Ranjna, who co-own the real property located at 1314 South Plymouth Court, Chicago, IL 60605 (the "Residential Property"), by virtue of a mortgage, as amended from time to time, effective April 27, 2012 and recorded with the Cook County Recorder of Deeds on May 15, 2012 as Document No. 1213641009 (the "Residential Mortgage"). The Residential Mortgage was executed by Ravinder and Ranjna in favor of Cathay Bank as security for a note executed by Ravinder and Ranjna in favor of Cathay Bank, effective April 27, 2012 in the original principal amount of \$892,500.00 (the "Residential Note").

8. The Commercial Properties and the Residential Property serve as cross-collateral for the Higgins Loan. The Property serves as cross-collateral for the Commercial Loan and the Residential Loan. Ravinder is the guarantor of the Commercial Loan and the Residential Loan.

9. On May 18, 2015, as a consequence of the Debtor's defaults under the loan documents evidencing the Higgins Loan and the Commercial Loan, the Cathay Bank filed a Complaint in the Circuit Court of Cook County, Illinois, County Department, Chancery Division ("Circuit Court") to initiate the foreclosure action captioned as, *Cathay Bank v. A Chicago Convention Center, LLC, et al.*, as Case No. 13-CH-14547 (the "State Court Action"). Through the State Court Action, Cathay Bank sought to foreclose on the Property, the Commercial Properties and the Residential Property, among other things, to obtain a Judgment of Foreclosure and Sale against the Debtor.

10. On May 18, 2016, the Circuit Court entered a Judgment of Foreclosure and Sale in the State Court Action. A copy of the Judgment of Foreclosure and Sale is attached hereto as Exhibit 1. The Judgment of Foreclosure and Sale provided, among other things, that Cathay Bank must first sell the Property in a judicial sale prior to seeking the judicial sale of the Residential

Property and the Commercial Properties. Prior to the entry of the Judgment of Foreclosure and Sale, the Circuit Court entered an Order in the State Court Action finding that the lien of Quality has priority over the Cathay Bank in the Property. Pursuant to the Judgment of Foreclosure and Sale and a Notice of Sale, Cathay Bank scheduled a judicial sale of the Property for June 24, 2016.

B. Marketing the Property for Sale

11. On April 18, 2016, the Debtor entered into an Exclusive Real Estate Auction Listing Agreement (“Brokerage Agreement”) with Madison Hawk Partners LLC (“Madison Hawk”) to market the Property for sale and to procure through a “sealed bid” auction a prospective purchaser of the Property.² From April 18, 2016 to June 8, 2016, Madison Hawk marketed the Property for sale through various means, including through Madison Hawk’s website (www.madisonhawk.com/auctions/Chicago) that allowed interested parties to download a brochure and after qualification with a minimal threshold, to download a Due Diligence Packet. In addition, Madison Hawk advertised for the sale of the Property through media (e.g. Wall Street Journal) and E-marketing vehicles (e.g. loopnet.com, co-star.com and Facebook.com). The E-marketing vehicles, alone, reached a database of over 100,000 active real estate brokers and investors. Madison Hawk’s email communications to targeted prospects reached another approximately 150,000 investors across the country. Madison Hawk’s direct mailings reached another 1,500 prospects.³

12. On June 9, 2015, Madison Hawk conducted a sealed bid auction of the Property. The only bidder was Friedman Properties, LLC (“Friedman Properties”), an experienced real estate developer and with significant holdings throughout the Chicago metropolitan area.

C. Friedman Purchase and Sale Agreement

² Previously, the Debtor had engaged CBRE (4-23-13 to 12-5-14) and Jameson Commercial (12-11-14 to July 2015). No viable offer was procured through these brokers.

³ Madison Hawk provided written status reports on 5-26-16 and 6-8-16 detailing the marketing activities and who had shown or otherwise pursued “due diligence” for the sealed bid auction. These status reports are available.

15. In conjunction with the sealed bid auction, Friedman Properties tendered the Friedman Purchase and Sale Agreement (“Friedman Contract”), attached hereto as Exhibit 2. The Friedman Contract provides that Friedman Properties (or an affiliate of Friedman Properties established specifically for the Property) (“Buyer”) is offering \$6,750,000.00 to purchase the Property, free and clear of all financial liens, claims and encumbrances.

16. The Friedman Contract provides for a 45-day “due diligence” period for the Buyer to inspect the Property and determine if the Property is acceptable to the Buyer.

17. The closing for the sale of the property (“Closing”) will take place on the tenth business day after the expiration of the 45-day due diligence period.

18. Any proposed sale of the Property by the Debtor is specifically subject to approval by the Court.

D. ACCC’s Motion to Sell the Property

19. On August 30, 2016, ACCC presented its *Motion To Sell Property Free And Clear Of Liens Pursuant To § 363 of The Bankruptcy Code* (DE 26) (“Motion to Sell”). Through the Motion to Sell, ACCC sought the entry of an Order the Bankruptcy Court to consummate the sale of the Property to Friedman Properties pursuant to the Friedman Contract.

20. On September 14, 2016, the Bankruptcy Court entered the Agreed Order appended hereto as Exhibit 3 (DE 49) (“Sale Order”). The Sale Order established procedures for the sale of the Property, established Friedman Properties as a “stalking horse” purchaser, and set September 30, 2016 as the date for the Bankruptcy Court to enter an order approving the sale of the Property, with the closing of the sale of the Property occurring on or before October 14, 2016 (“Closing”). Friedman Properties has deposited earnest money in the amount of \$1,000,000.00 pursuant to the Friedman Contract. On September 15, 2016, Friedman Properties waived the “due diligence” condition precedent to the purchase of the Property.

E. The Securities and Exchange Commission

21. On February 6, 2013, the United States Securities and Exchange Commission (“SEC”) filed a complaint against Defendants, A Chicago Convention Center, Anshoo Sethi and Intercontinental Regional Center Trust of Chicago, LLC, to initiate the action captioned as, *United States Securities and Exchange Commission v. A Chicago Convention Center, LLC*, et al, as case no. 13-cv-982 (“SEC Case”), with the Honorable Amy J. St. Eve, presiding.

22. On March 17, 2014, the Court in the SEC Case entered a Final Judgment Order (SEC Case Docket No. 188). A copy of the Final Judgment Order is attached hereto as Exhibit 4.

23. On August 11, 2016, pursuant to ACCC’s Defendant’s Motion for Status Conference (SEC Case Docket No. 198), the Court in the SEC Case entered an order deferring to the Bankruptcy Court on all matters pertaining to the marketing and sale of the Property, including the Motion to Sell (SEC Case Docket No. 202).

E. The Plan

24. Through this Plan, the Debtor proposes to pay its creditors on their respective allowed claims from a number of sources. Those sources include the following: (a) proceeds from the sale of the Property, which will pay the Cathay Bank approximately \$6,117,425.24 and Quality \$100,000.00; (b) Ravinder Sethi will contribute the sum of approximately \$2,000,000.00 to ACCC as a capital contribution upon the date of the Effective Date, which funds shall be used to pay Administrative Claims (approximately \$10,000.00), Cathay Bank (approximately \$982,574), the SEC (approximately \$1,000,000) and unsecured creditors (approximately \$2,484.25).

25. Commencing on the Effective Date, which date shall be fourteen (14) days following the entry of a Final Order confirming the Debtor’s Plan, or such other date as is set forth herein, the Debtor will commence disbursing payments to its creditors, as follows:

- a. **Debtor-in-Possession Operating Expenses and Claims** – The Debtor has paid all Debtor-in-Possession operating costs, expenses, and obligations as they became due, pursuant to the credit terms established between the Debtor and each of its creditors. No Debtor-in-Possession operating costs, expenses, obligations or claims will remain unpaid at the Effective Date of the Plan, other than those operating costs, expenses or obligations and claims which are due in the ordinary course of the Debtor’s business affairs. These Debtor-in-Possession operating costs, expenses, obligations or claims shall be paid as they become known and due.
- b. **Administrative Claims** - Administrative Claims approved by the Bankruptcy Court, including Fee Claims owed to Weissberg and Associates, Ltd., shall be paid, in full, in cash on the later of (1) the Effective Date; (2) upon approval by the Bankruptcy Court of such Administrative Claims; or, (3) on such other terms as agreed upon between the Debtor and the claimant asserting the Administrative Claim. Statutory fees owed to the United States Trustee shall be paid, in full, on the day prior to the Effective Date and shall be paid on a regular basis thereafter as incurred until the Bankruptcy Case is closed or a Final Decree is entered by the Bankruptcy Court.
- c. **Priority Claims** – Priority Claims entitled to priority pursuant to §507(a), other than Administrative Claims, shall be paid, in full, from the proceeds of sale of the Property on the date of sale of the Property.
- d. **Executory Contracts and Unexpired Leases** – The Debtor will continue to perform on all executory contracts in accordance with the terms as may be modified and as approved by the United States Bankruptcy Court or as agreed between the parties. The principal executory contract is the Listing Agreement with Madison Hawk

Partners, LP for the marketing and sale of the Property.

Any other contract which is executory, in whole or in part, and which was originally executed prior to the entry of the Order for Relief, and to which the Debtor is a party, and has not been assumed, assigned, rejected or terminated during the pendency of the Chapter 11 proceedings or pursuant to the provisions of the Plan, shall be deemed rejected as of the Effective Date, in accordance with the provisions and requirements of §§365 and 1123 of the Bankruptcy Code.

- e. **General Unsecured Creditors.** Through this Plan of Reorganization, the Debtor is seeking to pay its unsecured creditors (other than Cathay Bank) twenty-five percent (25%) of their Allowed Claims on or before ninety days (90) from the Effective Date.
- f. **The Cathay Bank.** Through this Plan of Reorganization, the Debtor is seeking to pay the Cathay Bank. The Cathay Bank will be paid, as follows: (i) the Disbursing Agent will cause the payment of the net proceeds of sale of the Property on the date of sale of the Property from proceeds from the sale of the Property, which is approximately \$6,117,425.24; and, (ii) Ravinder Sethi will make a capital contribution to the Debtor to pay the Cathay Bank the difference between the amount that the Cathay Bank receives from the sale of the Property and the sum of \$7,100,000—which is approximately \$982,574.76 which sum will be paid from the proceeds of a refinance of the Residential Property and the Commercial Properties.
- g. **The Securities and Exchange Commission.** Through the Plan of Reorganization, Ravinder will pay to the Securities and Exchange Commission a sum equal to the net proceeds of a refinance of the Residential Property and the Commercial

Properties, less the sum of \$982,574.76, payable to the Cathay Bank. This sum is approximately \$1,000,000.00. The Securities and Exchange Commission is owed \$11,693,314.00.

- h. **Quality.** Through the Plan of Reorganization, the Disbursing Agent will cause the payment to Quality of \$100,000.00 from the net proceeds of sale of the Property on the date of sale of the Property.

II. DEFINITIONS

26. "Administrative Claim" shall mean any cost or expense of the administration of this Case entitled to priority in accordance with the provisions of 11 U.S.C. §§ 364(c)(1), 503(b), 507(a)(1) and (b), including, without limitation, (a) any actual and necessary expenses of preserving the Debtor's estate and operating the Debtor's business; (b) all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under 11 U.S.C. §§ 330, 331 or 503, including attorneys', paralegals', and accountants' fees and costs; and (c) any fees or charges, including fees due the United States Trustee, assessed against the Debtor's estate under Section 1930 of Title 28 of the United States Code.

27. "Allowed Claim" shall mean any Claim (including Secured Claims) against the Debtor (a) for which a proof of claim was timely and properly filed before the Bar Date, or, if no proof of claim was filed, which has been or hereafter is listed by the Debtor on its schedules or amended schedules as liquidated in amount and non-disputed or non-contingent, and, in either such case, a Claim as to which no objection to the allowance thereof has been interposed on or before the applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Court or the Plan, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of a claimant; or (b) based on a fee application, to the extent the Bankruptcy Court approves such fee application. Unless otherwise specified herein

or by order of the Bankruptcy Court, Allowed Claims shall not include interest on such Claims of the period from and after the Petition Date, nor shall they include any Claim which may be disallowed under 11 U.S.C. § 502(d).

28. "Assets" mean all tangible and intangible assets of every kind and nature of the Debtor and all proceeds thereof existing as of the Effective Date.

29. "Available Cash" means the aggregate of all Cash and Cash Equivalents held by the Debtor.

30. "Avoidance Actions" shall mean those actions which a debtor or a trustee may institute pursuant to 11 U.S.C. §§ 544, 545, 547, 548, 550 and 553.

31. "Bankruptcy Code" shall mean the Bankruptcy Reform Act of 1978, as amended and set forth in Section 101 et seq. of Title 11 of the United States Code, including the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, and any other amendments that may presently or hereafter apply to these Cases.

32. "Bankruptcy Court" shall mean the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, and the United States Bankruptcy Judge presiding in the Debtor's Chapter 11 case or the United States District Court for the Northern District of Illinois sitting as a bankruptcy court and any United States District Court Judge presiding therein.

33. "Bankruptcy Rules" shall mean the Federal Rules of Bankruptcy Procedure, as the same may be amended and modified from time to time, and as applicable to cases pending before the Bankruptcy Court.

34. "Bar Date" shall mean that date set by the Bankruptcy Court by which creditors must file proofs of claims.

35. "Business Day" means any day, other than a Saturday, Sunday or legal holiday (as defined in Bankruptcy Rule 9006(a)).

36. "Case" shall mean Case No. 16-B-20463, currently pending in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division.

37. "Cash" shall mean cash, cash equivalents and other readily marketable securities or instruments, including, without limitation, readily marketable direct obligations of the United States of America, certificates of deposit issued by banks, commercial paper of any entity, and letters of credit.

38. "Chapter 7" shall mean 11 U.S.C. §701, et al., as amended.

39. "Chapter 11" shall mean 11 U.S.C. §1101, et al., as amended.

40. "Claim" means a "claim", as defined in §101(5) of the Bankruptcy Code and shall mean any right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The classification of Claims pursuant to the Plan is set forth in Article I hereof.

41. "Claims Reserve" shall mean one or more segregated interest-bearing accounts in which cash shall be held in accordance with the terms of the Plan.

42. "Confirmation Date" shall mean the date on which the Confirmation Order is entered on the docket for the Case.

43. "Confirmation Order" shall mean the order of the Bankruptcy Court, pursuant to 11 U.S.C. § 1129, as amended, confirming the Plan and approving the transactions contemplated therein.

44. "Contested Claim" shall mean any Claim or any portion of any Claim as to which the Debtor or any other party in interest has interposed an objection in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection has not been withdrawn or adjudicated pursuant to a Final Order.

45. "Contested Interest" shall mean any Interest or any portion of any Interest as to which the Debtor or any other party in interest has interposed an objection in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection has not been withdrawn or adjudicated pursuant to a Final Order.

46. "Debtor" or "ACCC" shall mean A Chicago Convention Center, LLC.

47. "Effective Date" shall mean the fourteenth (14th) day following the Confirmation Date unless the implementation of the Confirmation Order is stayed by Bankruptcy Court order, in which case the Effective Date will be the eleventh day following the entry of an order lifting the stay. In the event the Confirmation Order is stayed pending appeal, it will be the eleventh day after ruling on any appeal assuming the Confirmation Order is upheld. In the event the Effective Date, determined above, falls on a Saturday, Sunday or legal holiday, the Effective Date shall be the first business day thereafter.

48. "Final Order" shall mean an order which has become final for purposes of 28 U.S.C. §§ 158 and 1291, including, but not by way of limitation, any order (a) which is no longer subject to appeal or certiorari proceeding, (b) as to which an appeal or certiorari proceeding is pending but a court order granting a stay has not been entered, or (c) as to which any appeal or certiorari proceeding has been rendered moot pursuant to applicable provisions of federal law.

49. "Impaired Class" shall mean a Class of Claims which is impaired under 11 U.S.C. § 1124.

50. "Interest" shall mean any equity interest in the Debtor, including without limitation (a) any member's interests, (b) any rights, options or warrants to purchase such member's interests or securities convertible into or exchangeable for such member's interests, or any rights to have the Debtor repurchase or redeem such shares, or (c) any other direct or indirect legal or beneficial interests in such member's interests.

51. "Disbursing Trust" shall mean the trust described in Article 5 herein.

52. "Disbursing Agent" shall be Weissberg and Associates, Ltd. as approved by the Bankruptcy Court in accordance with Section 5.2(c) of the Plan, who shall perform the duties of disbursement to certain Classes of creditors identified in the Plan.

53. "Petition Date" shall mean June 23, 2016, in the instant case.

54. "Plan" shall mean the Debtor's Chapter 11 Plan, as may be amended.

55. "Priority Claim" shall mean any pre-petition Claim entitled to priority in payment under 11 U.S.C. §§ 507(a), (3), (4) or (6).

56. "Professional Persons" shall mean persons, including counsel and accountants for the Debtor, retained or to be compensated pursuant to 11 U.S.C. §§ 327, 328, 330, 331, 503(b) or 1103.

57. "Pro Rata" shall mean in connection with a particular Allowed Claim and in connection with any distribution, the ratio between the amount of such Allowed Claim and the aggregate amount of all Allowed Claims in such class or classes entitled to such distribution.

58. "Secured Claim" shall mean any Claim that is secured by a lien, mortgage, security or collateral interest, trust deed, encumbrance or other interest that has been properly perfected as

required by law with respect to property of the estate, to the extent of the lesser of the value of the collateral or the amount of the Claim.

59. "Members" shall mean all persons holding any Interest in the Debtor.

60. "Tax Claim" shall mean any Allowed Claim that arose pre-petition and is entitled to priority under 11 U.S.C. § 507(a)(8). Tax Claims do not include ad valorem tax claims if those Claims under applicable state law are secured by a lien on real or personal property.

61. "Ultimately Allowed Claim" shall mean any Contested Claim that has become an Allowed Claim.

62. "Unimpaired Class" shall mean a class of Claims which is not impaired within the meaning of 11 U.S.C. § 1124.

63. "United States Trustee" shall mean the United States Trustee for the Northern District of Illinois.

64. "Unsecured Claim" shall mean all Claims for unsecured debts or liabilities of any character whatsoever arising prior to the Petition Date.

65. "Unsecured Creditor" shall mean any Person who is the holder of an Unsecured Claim. Unless otherwise stated, all other terms shall have the meaning given to them under the Bankruptcy Code or Bankruptcy Rules.

III. DESCRIPTION OF THE CLASSES OF CREDITORS UNDER THE PLAN

The following is an explanation of the Classes of creditors described in the Plan:

1.1 Unclassified Claims. Unclassified Claims shall be all Administrative Claims (unimpaired class).

1.2 Class I Claims. Class I Claims shall be all Allowed Priority Claims (unimpaired class).

- 1.3 Class II Claims. Class II Claims shall be the allowed Claim of the Cathay Bank (impaired class).
- 1.4 Class III Claims. Class III Claims shall be the allowed Claim of Quality Excavation, Ltd.
- 1.6 Class IV Claims. Class IV Claims shall be the allowed Claim of the Securities and Exchange Commission.
- 1.5 Class V Claims. Class V Claims shall be the Allowed General Unsecured Claims, other than the claims of insiders, excluding Unclassified, Class I, Class II, Class III, Class IV and Class VI Interests (unimpaired class).
- 1.5 Class VI Interests. Class VI Interests shall be all Interests of the Member (unimpaired class).

IV. MEANS OF FUNDING THE PLAN

The Plan will be funded by the following sources: (a) proceeds from the sale of the Property; (b) Ravinder Sethi will make a capital contribution to the Debtor to pay the Cathay Bank the difference between the amount that the Cathay Bank receives from the sale of the Property and the sum of \$7,100,000 (approximately \$982,574,76); and, (b) Ravinder Sethi will make a capital contribution to the Debtor to pay the administrative claims (approximately \$10,000.00), the SEC (\$1,000,000) and the unsecured creditors (other than the Cathay Bank and the Securities and Exchange Commission) twenty-five percent (25%) of their claims on or before ninety (90) days from the Effective Date.

V. TREATMENT OF CLAIMS

The following is a description of the treatment of each class of claims under the terms of the Plan.

1.1 Unclassified Claims. These claims are comprised of claims arising during the administration of ACCC's Chapter 11 case. These claims are for professional fees. ACCC estimates that these claims will equal approximately \$60,000.00. The Disbursing Agent (i.e., Weissberg and Associates, Ltd.) shall pay all Allowed Administrative Claims on the Effective Date a Cash distribution equal to 100% of their Allowed Claims to the extent its Claims have not been allowed and paid prior to that date. The Disbursing Agent shall not pay any Professional Person until the Bankruptcy Court, after notice and a hearing, enters an order approving such payment. The Allowed Claims in this class will be paid from funds contributed by Ravinder Sethi.

1.2 Class I Claims (Priority Claims). These claims are sums due to taxing authorities. The only taxing authority that will have claims is the Cook County Treasurer's Office for 2015 and 2016 real estate taxes that accrued on the Property. The Debtor estimates that the total amount of unpaid real estate taxes equals \$104,760.30. The Debtor disputes that any monies are due to the Internal Revenue Service. The Disbursing Agent shall pay all Allowed Class I Claims on the earlier of the Effective Date or the date of Closing, a Cash distribution equal to 100% of their Allowed Claims. In the event that the sale of the Property is consummated prior to the Effective Date, the Disbursing Agent will cause the payment of unpaid real estate taxes that have accrued on the Property on the date of sale of the Property. Notwithstanding anything to the contrary, if a Class I Claim is a Contested Claim on the date of any distribution to holders of Class I Claims, sufficient Cash shall be reserved by the Disbursing Agent in the Claims Reserve to pay the Creditor holding such Contested Claim its Pro Rata share of the proceeds available for

distribution pending resolution of the dispute as if the Contested Claim then pending was an Allowed Claim in the full amount thereof. The Allowed Claims in this class will be paid from the proceeds of sale of the Property.

- 1.3 Class II Claims. These claims are represented by the claim of the Cathay Bank.

The Debtor proposes to pay the Cathay Bank on the Secured Allowed Claims as follows: The Cathay Bank will be paid as follows: (a) the Disbursing Agent will cause the payment of the net proceeds of sale of the Property on the date of sale of the Property from proceeds from the sale of the Property—which is approximately \$6,117,425.24; and, (b) Ravinder Sethi will make a capital contribution to the Debtor to pay the Cathay Bank the difference between the amount that the Cathay Bank receives from the sale of the Property and the sum of \$7,100,000—which is approximately \$982,574.76.

- 1.4 Class III Claims. The Class III Claim is represented by Quality. Through the Plan of Reorganization, the Disbursing Agent will cause the payment to Quality of \$100,000.00 from the net proceeds of sale of the Property on the date of sale of the Property.

- 1.5 Class IV Claims. The Class IV Claims are represented by the unsecured claims of the Securities and Exchange Commission. Through the Plan of Reorganization, Ravinder Sethi will pay to the Securities and Exchange Commission a sum equal to the net proceeds of a refinance of the Residential Property and the Commercial Properties, less the sum of approximately \$982,574.76. The Debtor approximates this sum to be \$1,000,000.00.

1.6 Class V Claims. Unsecured Non-Insider Claims. The creditors representing the Claimants in this class are ChiArc/Funke Architects (\$5,000.00); and (b) Robert Tepper (\$4,937.00). The total of these General Unsecured Claims is \$9,937.00. The Debtor proposes to pay these Claimants on their Allowed Claims twenty-five percent (25%) of their Allowed Claims (i.e., \$2,484.25) on or before ninety days from the Effective Date. The source of these funds will be from Ravinder Sethi making a capital contribution to the Debtor. In addition, the Allowed Claims of this Class will be paid from any proceeds from the auction sale of the membership interests of ACCC.

1.5 Class VI (Interests). The sole member of ACCC is Ravinder Sethi.

All Class VI Interest holders shall not retain their membership interests in ACCC. On or before 180 days from the Effective Date, an auction will be conducted to sell these membership interests to the highest bidder. The proceeds of this sale, if any, will be paid into the estate to pay Allowed Claims of Class V.

Appended hereto as Exhibit 5 is a chart summarizing each class of claims and the treatment of each class under the terms of the Plan.

VI. SUMMARY OF VOTING, THE PURPOSE OF CHAPTER 11 AND OTHER PROVISIONS OF THE PLAN

THE ABOVE IS A SUMMARY OF THE PLAN THAT PROVIDES FOR THE REORGANIZATION OF THE DEBTOR. CREDITORS ARE URGED TO STUDY THE PLAN IN FULL AND TO CONSULT WITH COUNSEL TO UNDERSTAND THE PLAN BECAUSE IT IS A COMPLEX AND LEGALLY BINDING DOCUMENT.

The Debtor submits this disclosure statement (the “Disclosure Statement”) to holders of claims against and interests in the Debtor in connection with a solicitation of acceptances of the Plan of the Debtor, as the same may be amended. The statements contained in this Disclosure

Statement include summaries of provisions contained in the Plan and in documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference should be made to the Plan and to such documents for the full and complete statements of such terms and provisions. The Plan itself and the documents referred to therein control the actual treatment of claims against and interests in the Debtor under the Plan and will, upon the Effective Date, be binding upon all holders of claims against and interests in the Debtor and its estate, and other parties-in-interest. In the event of any conflict between this Disclosure Statement, on the one hand, and the Plan or any attached exhibits (the "Exhibits"), on the other hand, the terms of the Plan and the Exhibits are controlling.

Under the Plan, the Debtor seeks to liquidate its assets (i.e. the Property) and borrow funds from third parties to pay all of its debts. The Debtor shall distribute all payments required by the Plan to creditors of the Debtor according to the priorities set forth in the Bankruptcy Code. The Debtor believes that confirmation of the Plan is in the best interests of the Debtor and its creditors. The Plan, and its proposed treatment of creditors is feasible. Under the terms of the Plan, all creditors will receive as much or more than they would receive in a Chapter 7 liquidation. Accordingly, the Debtor urges each creditor that is impaired under, and entitled to vote with respect to, the Plan, to vote to accept the Plan.

To be counted, a ballot containing your acceptance or rejection of the Plan must be filed with the Bankruptcy Court no later than the balloting deadlines provided in the ballot. **The balloting deadline is to be determined and will be reflected in the Ballot.** To be considered, all ballots must be received by the Clerk of the Bankruptcy Court, 219 South Dearborn, 7th Floor, Chicago, Illinois 60604 (authorized ECF filers shall file electronically at the Court's website,

www.ilnb.uscourts.gov), on or before on the date to be set forth in the Ballot. Ballots received after the balloting deadline will not be counted or otherwise considered.

THIS DISCLOSURE STATEMENT IS PROVIDED TO ALL OF THE KNOWN HOLDERS OF CLAIMS AGAINST THE DEBTOR WHO ARE ENTITLED TO VOTE THEIR ACCEPTANCE OR REJECTION OF THIS PLAN. ACCORDINGLY, THIS DISCLOSURE STATEMENT IS DISSEMINATED IN FURTHERANCE OF THE DEBTOR'S SOLICITATION OF ACCEPTANCES OF THE PLAN. THE PURPOSE OF THIS DISCLOSURE STATEMENT IS TO PROVIDE SUCH INFORMATION AS WOULD ENABLE A HYPOTHETICAL, REASONABLE CREDTOR, TYPICAL OF THE HOLDERS OF CLAIMS THAT ARE IMPAIRED UNDER THE PLAN, TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN. THIS DISCLOSURE STATEMENT IS DESIGNED AND INTENDED TO ASSIST THOSE HOLDERS OF CLAIMS ENTITLED TO VOTE IN DECIDING WHETHER TO ACCEPT THE PLAN. AFTER NOTICE AND A HEARING, THE BANKRUPTCY COURT WILL HAVE THE OPPORTUNITY TO APPROVE THIS DISCLOSURE STATEMENT SHOULD IT FIND THAT IT CONTAINS INFORMATION OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE A HYPOTHETICAL, REASONABLE CREDITOR, TYPICAL OF THE CLASSES BEING SOLICITED TO VOTE ON THE PLAN, AND TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PREPARED AND SUBMITTED BY THE DEBTOR UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. NO REPRESENTATIONS CONCERNING THE DEBTOR, OTHER THAN THOSE SET FORTH IN THE DISCLOSURE STATEMENT, HAVE BEEN AUTHORIZED BY THE DEBTOR. THE DEBTOR BELIEVES THAT ALL OF THE INFORMATION CONTAINED HEREIN IS ACCURATE AND IS BASED UPON INFORMATION THAT THE DEBTOR HAS PROVIDED TO ITS COUNSEL. THE INFORMATION AND STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT AT ANY TIME AFTER THE DATE HEREOF SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN ANY CHANGE IN THE INFORMATION STATED HEREIN.

NO PERSON IS AUTHORIZED BY THE DEBTOR IN CONNECTION WITH THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THIS DISCLOSURE STATEMENT OR THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS AND SCHEDULES ATTACHED HERETO.

NO REPRESENTATIONS ARE BEING MADE AS TO TAX CONSEQUENCES, IF ANY, RESULTING FROM CREDITOR TREATMENT UNDER THE PLAN AND CREDITORS ARE URGED TO STUDY THE PLAN IN FULL AND TO CONSULT WITH AN

ACCOUNTANT REGARDING TAX CONSEQUENCES, IF ANY, ARISING UNDER THE PLAN.

Chapter 11 is designed to promote equality of treatment for similarly situated creditors and similarly situated interest holders with respect to the distribution of a debtor's assets in a reorganization. The commencement of a Chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code contemplates that the Debtor, will continue to conduct its personal financial and business operations in the ordinary course and remain in possession of its property during the case, except as otherwise provided, while it seeks to implement a reorganization plan. The Bankruptcy Court must approve any activities that are not within the ordinary course of the Debtor's personal financial and business operations.

The consummation of a plan of reorganization or liquidation is the principal objective of a Chapter 11 case. A plan sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan by the Bankruptcy Court makes the plan binding upon the debtor, any issuer of securities under the plan, any person or entity acquiring property under the plan and any creditor of or equity security holder in the debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan.

The primary objective of the Plan is to settle, compromise or otherwise dispose of certain claims and interests on terms that the Debtor believes to be fair and responsible and in the best interests of its estate and creditors. The Debtor believes that the Plan it has proposed provides the best and most prompt possible recovery to the Debtor's claim holders. Under the Plan, claims against and interests in the Debtor are divided into different classes set forth in the Summary of

Plan section above. The Plan contemplates the reorganization of the Debtor, the restructuring of its debts and the distribution of plan payments to holders of the various Allowed Claims.

The following is an explanation of other material provisions of the Plan:

1. **Disbursing Agent** – The Disbursing Agent shall act as the disbursing agent for all disbursements under the Plan. The Disbursing Agent is Weissberg and Associates, Ltd.

2. **Distributions for Claims or Interest Allowed as of the Effective Date** – Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, distributions to be made on account of claims that are allowed as of the Effective Date of the Plan will be made as soon thereafter as is practicable. Any payment or distribution required under the Plan on a day other than a business day will be made on the next succeeding business day.

3. **Interest on Claims** – Unless otherwise specifically provided for in the Plan or confirmation order, or required by applicable bankruptcy law, post-petition interest shall not accrue or be paid on any claims.

4. **Distributions** – The Disbursing Agent shall be the Disbursing Agent to make all distributions required under the Plan.

A. **Delivery of Distributions in General** – Distributions to holders of Allowed Claims shall be delivered by first class mail to the claimants' addresses set forth in the Disbursing Agent's records unless such addresses are superseded by proofs of claim or transfers of claim filed pursuant to Bankruptcy Rule 3001.

B. **Undeliverable and Unclaimed Distributions** – If the distribution to any holder of an allowed claim is returned to the disbursing agent as undeliverable or is otherwise unclaimed, no further distributions shall be made to such holder unless and until the disbursing agent is notified in writing of such holder's then-current address. Any holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an

undeliverable or unclaimed distribution within three (3) months after any Distribution Date shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for an undeliverable or unclaimed distribution against the Debtor, its estate, or its property. In such cases, any cash distribution on account of such claims for undeliverable or unclaimed distributions shall be redeposited in the Debtor's account. Nothing contained the Plan shall require any disbursing agent to attempt to locate any holder of an Allowed Claim or Interest.

5. **Method of Cash Payment** – Payments of cash made pursuant to the Plan shall be in U.S. dollars and shall be made, at the option and in the sole discretion of the Disbursing Agent, by (a) checks drawn on a domestic bank selected by the Debtor, or (b) wire transfer therefrom.

6. **Withholding and Reporting Requirements** – In connection with the Plan and all distributions thereunder, the Disbursing Agent shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent will be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan each holder of an Allowed Claim or Interest that is to receive a distribution of cash pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution.

7. **Setoffs** – The Disbursing Agent, pursuant to §553 of the Bankruptcy Code or applicable non-bankruptcy laws, may, but shall not be required to, set off against any claim and the payments or other distributions to be made pursuant to the Plan in respect of such claim,

claims of any nature whatsoever that the Debtor may have against the holder of such claim; provided, however, that neither the failure to do so nor the allowance of any claim hereunder shall constitute a waiver or release by the Debtor of any such claim that the Debtor may have against such holder.

8. **Resolution of Disputed, Contingent and Unliquidated Claims** – The Debtor will be required to file any objections it may have to the allowance of a claim or interest. The Effective Date of the Plan shall be fourteen (14) days following the entry of an Order confirming the Plan, or such other date as is set forth therein. No distributions will be made on account of any disputed claim unless and until the dispute is resolved either through agreement of the parties or by a final order of the Bankruptcy Court (or other court of appropriate jurisdiction). The Plan does not provide for interest to accrue or to be paid with respect to Disputed Claims that are ultimately allowed in whole or in part. No payment or distribution will be made with respect to all or any portion of a Disputed Claim or Interest unless and until all objections to such claim are withdrawn or such claim has been allowed pursuant to a final order.

9. **Amendment or Modification of the Plan** – Subject to §1127 of the Bankruptcy Code and, to the extent applicable, §§1122, 1123 and 1125 of the Bankruptcy Code, the Debtor reserves the right to alter, amend or modify the Plan at any time prior to or after the Confirmation Date but prior to the substantial consummation of the Plan. A holder of a claim or interest that has accepted the Plan shall be deemed to have accepted the Plan as altered, amended or modified, if the proposed alteration, amendment or modification does not materially or adversely change the treatment of the claim or interest of such holder.

10. **Litigation Claims** – Pursuant to 11 U.S.C. §1123(b), the Debtor shall be vested with the right to prosecute all claims, demands, rights and causes of action that the Debtor or the Debtor's Estate may hold against any Person.

AGAIN, THE READER OF THIS DISCLOSURE STATEMENT IS DIRECTED TO THE APPLICABLE SECTIONS OF THE PLAN FOR A MORE COMPLETE DISCUSSION OF THE VARIOUS OTHER PROVISIONS OF THE PLAN.

VII. CONFIRMATION PROCESS

A. Confirmation of Plan: The Debtor's implementation of its Plan depends on whether creditors vote to accept the Plan and, thereafter, whether the Court confirms or approves the Plan. The Bankruptcy Code provides that only creditors whose claims are impaired within the meaning of §1124 of the Bankruptcy Code are entitled to vote on the Plan. Essentially, the Plan impairs a creditor's claim if it alters that creditor's legal or equitable rights. Creditors whose claims are not impaired (i.e., who will receive everything to which they are legally entitled) are deemed to have accepted the Plan and need not vote their acceptance. Likewise, creditors who receive no distribution on account of their claims under the Plan are deemed to have rejected the Plan.

In calculating the votes that are cast under a particular Plan, under the Bankruptcy Code, a class of claims is considered to have accepted the Plan if both a majority in number and two thirds (2/3) of the dollar amount of those actually voting vote to accept the Plan. The claims of those who do not vote are not counted in determining whether the requisite statutory majority in number and dollar amount have voted for acceptance. Acceptance by the statutory majority will bind the minority who dissent.

B. Cram Down of Plan: In the event the requisite acceptances are not obtained from classes of creditors and interest holders, the Debtor will request confirmation pursuant to the cram down provisions, or §1129(b), of the Bankruptcy Code; and, the Court may confirm the Plan if the court finds that the Plan accords fair and equitable treatment to the class rejecting it. In other words, if one or more classes votes their rejection or is deemed to have rejected the Plan, the Court may nevertheless confirm the Plan if it finds that at least one class of impaired non-

insider creditors has approved the Plan; the rejecting class of creditors would not have received more under Chapter 7 of the Code than under the Plan; and, the Plan is fair and equitable. For the Plan to be fair and equitable, it must not unfairly discriminate against one class of creditors, and creditors of junior rank may not receive any distribution if creditors of a superior rank are either not paid in full or do not consent to the distribution. If the Plan meets these standards, the Court may cram down the Plan on the class of dissenting creditors and confirm the Plan over their objections.

C. Effect of Confirmed Plan: The provisions of a confirmed plan bind a 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, the Confirmation Order shall provide, among other things, that from and after the Confirmation Date all persons who have held, hold or may hold claims against or interests in the Debtor are (i) permanently enjoined from taking any of the following actions against the estate, or any of its property on account of any such claims or interests and (ii) preliminarily enjoined from taking any of the following actions against the Debtor or its property on account of such claims or interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any lien or encumbrance; (D) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent

with the provisions of the Plan; provided, however, that nothing contained herein shall preclude such persons from exercising its rights pursuant to and consistent with the terms of the Plan.

D. Voting Procedures: If you are entitled to vote to accept or reject the Plan, a Ballot will be provided to you. Please carefully follow the instructions set forth in the Ballot and vote and file your Ballot with the Bankruptcy Court on or prior to on the Voting Deadline so that it is received by the Court by that date and time at:

The Clerk of Court
United States Bankruptcy Court
219 S. Dearborn Street, Seventh Floor
Chicago, Illinois 60604

with a copy mailed to Debtor's Counsel:

Ariel Weissberg, Esq.
Weissberg and Associates, Ltd.
401 S. LaSalle St., Suite 403
Chicago, IL 60605
Email: ariel@weissberglaw.com

Authorized ECF filers shall file electronically at the Court's website, www.ilnb.uscourts.gov

TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY THE BANKRUPTCY COURT NO LATER THAN THE VOTING DEADLINE SPECIFIED IN THE BALLOT (THE "VOTING DEADLINE").

ANY BALLOT THAT IS EXECUTED BUT DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN AND ANY BALLOT THAT IS NOT EXECUTED OR IN WHICH BOTH THE ACCEPTANCE AND REJECTION BOX IS CHECKED WILL BE CONSIDERED NULL AND WILL NOT BE COUNTED.

If you are a Holder of a Claim entitled to vote on the Plan and do not receive a ballot, receive a damaged ballot, lose your ballot, or if you have any questions concerning the Disclosure Statement, the Plan or the procedures for voting on the Plan, please call Debtor's counsel, Ariel Weissberg at (312) 663-0004.

VIII. LIQUIDATION ANALYSIS, PROJECTIONS AND CASH FLOW STATEMENT

A. Introduction

Under the provisions of the Bankruptcy Code, the Plan must be in the best interest of creditors by providing a return of not less than the amount they would receive in a Chapter 7 liquidation. The distribution scheme proposed by the Debtor in the Plan reflects that all claimants will be receiving distributions equal to or in excess of any amounts that they would receive under Chapter 7 of the Bankruptcy Code. These conclusions are supported by the proposed Closing Statement appended hereto as Exhibit 6, which assumes a gross contract purchase price of \$6,750,000. If the sale of the Property is consummated at a gross contract purchase price of \$6,750,000, the Cathay Bank will be paid approximately \$6,117,425.24, the Treasurer of Cook County will receive unpaid real estate taxes that have accrued against the Property, and the balance of the closing proceeds will be paid for ordinary and necessary closing costs. Since the Property is the only asset of the Debtor, it is clear that the creditors would receive no more than what is reflected in the proposed Closing Statement if this case were to be converted, and probably less.

Assuming ACCC's Chapter 11 case was converted to a case under Chapter 7, Administrative Claims and Priority Claims would have to be paid prior to any distribution to the claims of unsecured non-priority creditors. In the event of a Chapter 7, a Chapter 7 Trustee would be appointed to administer the assets of the Debtor. In the performance of the Chapter 7 Trustee's duties, the Chapter 7 Trustee would retain professionals to assist her/him in the liquidation of the Debtor's assets and the prosecution of any litigation and contested matters involving disputes. The expenses of the Chapter 7 Trustee including the expenses of professionals, assets disposition expenses, and all unpaid expenses incurred until the liquidation is complete are estimated to be at least ten percent (10%) of gross proceeds from the sale of the Property, which would be at least \$170,000.

In the event of a Chapter 7 liquidation, only the Cathay Bank, Quality and the Treasurer of Cook County would be paid from the proceeds of the sale of the Property. The Debtor is proposing to repay general unsecured creditors 25% of all Allowed Claims. The distribution scheme proposed by the Debtor in the Plan reflects that all claimants will be receiving more than they would receive in a Chapter 7 case.

Appended hereto as Group Exhibit 7 are financial statements for ACCC for 2016.

IX. TAX CONSEQUENCES

The following discussion summarizes potential federal income tax consequences of the implementation of the Plan to the Debtor and all claimants. The Debtor does not believe that there will be any tax consequences to the Debtor from the sale of the Property. All claimants are contemplated to receive payment in full on their Claims, and such claimants may have to pay income taxes.

THE FEDERAL INCOME TAX CONSEQUENCES, IF ANY, OF THE PLAN ARE COMPLEX AND SUBJECT TO SIGNIFICANT UNCERTAINTIES. THE DEBTOR HAS NOT REQUESTED AND WILL NOT REQUEST A RULING FROM THE INTERNAL REVENUE SERVICE OR AN OPINION OF COUNSEL WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. NO REPRESENTATIONS ARE BEING MADE AS TO TAX CONSEQUENCES, IF ANY, RESULTING FROM CREDITOR TREATMENT UNDER THE PLAN. ACCORDINGLY, ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN INDEPENDENT TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

X. RISK FACTORS TO BE CONSIDERED

Because the Debtor is reorganizing the ordinary risk factors inherent in a reorganization are present, and as such are dependent upon a number of factors.

Additionally, the following specific risks exist in connection with confirmation of the Plan:

1. Any objection to the Plan filed by a member of a Class could either prevent or delay confirmation of the Plan.

2. In the event that certain Classes fail to meet the minimum Class vote requirements, as described above, the Debtor may request a cramdown of such non-accepting Classes. Failure to secure a cramdown or to suitably amend the Plan, if required, will in all likelihood prevent, or at least, delay confirmation of the Plan and therefore, payment of the disbursements due to creditors.

XI. CONCLUSION AND RECOMMENDATION

The Debtor believes that confirmation and implementation of the Plan is preferable to the alternatives described above because it will result in the greatest recoveries to holders of claims and interests. Accordingly, the Debtor strongly urges that each holder of a claim submit an acceptance of the Plan.

Dated: September 21, 2016

A CHICAGO CONVENTION CENTER, LLC, Debtor

By: /s/ Ariel Weissberg
One of its attorneys

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