

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:) Chapter 11
)
Algozine Masonry Restoration, Inc.) Case No. 16-23208-jpk
)
Debtor.)

**DISCLOSURE STATEMENT IN SUPPORT OF
ALGOZINE MASONRY RESTORATION, INC.'S
PLAN OF REORGANIZATION**

DATED MARCH 10, 2017

By: /s/ O. Allan Fridman
Attorney for the Plan Proponent

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THIS DISCLOSURE STATEMENT (“**DISCLOSURE STATEMENT**”) FILED BY THE DEBTOR, PREFERRED CONCRETE & EXCAVATING INC. (THE “**DEBTOR**”), MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE DEBTOR’S PLAN OF REORGANIZATION (THE “**PLAN**”), DATED AS OF THE DATE HEREOF, AND NOTHING CONTAINED HEREIN WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR.

ALL CREDITORS AND PARTIES IN INTEREST THAT ARE ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE ENTIRE DISCLOSURE STATEMENT FURNISHED TO THEM AND THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT, PRIOR TO SUBMITTING A BALLOT PURSUANT TO THIS SOLICITATION. THE DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT IS INTENDED AS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN ITSELF, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT. EACH CREDITOR AND PARTY IN INTEREST SHOULD READ, CONSIDER AND CAREFULLY ANALYZE THE TERMS AND PROVISIONS OF THE PLAN.

THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF CREDITORS. ALL CREDITORS ENTITLED TO VOTE ARE URGED TO VOTE IN FAVOR OF THE PLAN. VOTING INSTRUCTIONS ARE CONTAINED IN THE SECTION OF THIS DISCLOSURE STATEMENT TITLED “VOTING INSTRUCTIONS.” TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED AND EXECUTED AND RECEIVED BY THE CLERK OF THE BANKRUPTCY COURT BY NO LATER THAN 4:30 P.M., CENTRAL STANDARD TIME, ON _____ UNLESS SUCH DEADLINE IS EXTENDED BY ORDER OF THE COURT.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

NO PERSON IS AUTHORIZED IN CONNECTION WITH THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS OR DOCUMENTS ATTACHED HERETO OR INCORPORATED BY REFERENCE OR REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEBTOR. SUCH ADDITIONAL REPRESENTATIONS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR, WHO IN TURN WILL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR ACTION AS MAY BE DEEMED APPROPRIATE. THE

DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCES IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF THE DATE HEREOF, THIS DISCLOSURE STATEMENT IS DATED AND CREDITORS AND HOLDERS OF INTERESTS ARE ENCOURAGED TO REVIEW THE BANKRUPTCY DOCKET IN THIS CASE IN ORDER TO EVALUATE EVENTS WHICH OCCUR BETWEEN THE DATE OF THIS DISCLOSURE STATEMENT AND THE DATE OF THE CONFIRMATION HEARING. ALL CREDITORS WHICH ARE ENTITLED TO VOTE ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING THE PLAN AND THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT, PRIOR TO SUBMITTING A BALLOT PURSUANT TO THIS SOLICITATION.

THE DEBTOR HAS ATTEMPTED TO PRESENT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT ACCURATELY AND FAIRLY TO THE BEST OF ITS ABILITY. THE ASSUMPTIONS UNDERLYING THE ANTICIPATION OF FUTURE EVENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE ONLY ASSUMPTIONS OR PREDICTIONS OF FUTURE EVENTS, THERE CAN BE NO ASSURANCE THAT THE EVENTS WILL OCCUR.

IN THE EVENT THAT ANY OF THE CLASSES OF HOLDERS OF IMPAIRED CLAIMS VOTE TO REJECT THE PLAN, (1) THE DEBTOR MAY ALSO SEEK TO SATISFY THE REQUIREMENTS FOR CONFIRMATION OF THE PLAN WITH RESPECT TO THAT CLASS UNDER THE "CRAM-DOWN" PROVISIONS OF SECTION 1129(b) OF THE BANKRUPTCY CODE, AND, IF REQUIRED, MAY AMEND THE PLAN TO CONFORM TO SUCH REQUIREMENTS OR (2) THE PLAN MAY BE OTHERWISE MODIFIED OR WITHDRAWN.

THE REQUIREMENTS FOR CONFIRMATION, INCLUDING THE VOTE OF HOLDERS OF IMPAIRED CLASSES TO ACCEPT THE PLAN AND CERTAIN OF THE STATUTORY FINDINGS THAT MUST BE MADE BY THE BANKRUPTCY COURT, ARE SET FORTH UNDER THE CAPTION **"ACCEPTANCE OR REJECTION OF THE PLAN."**

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I. INTRODUCTION

Algozine Masonry Restoration, Inc. ("Preferred"), the Debtor and Debtor-in-Possession in the above-captioned Chapter 11 Case, submits this Disclosure Statement (the "Disclosure Statement") pursuant to Section 1125 of the Bankruptcy Code (the "Code"), to all of the Debtor's Creditors and Equity Security Holders, in order to disclose material information sufficient to enable them to make an informed decision in exercising their right to vote for acceptance or rejection of the Debtor's Plan of Reorganization dated March 10, 2017.

On _____ a hearing to consider confirmation of the Plan will be held by the Court or by any other judge sitting in the Court's place, in Courtroom 2200, of the United States Courthouse, Room 2200, 5400 Federal Plaza, Hammond, Indiana 46320. A copy of the Plan is attached hereto as Exhibit 2. Throughout this Disclosure Statement, the Debtor refers to terms that have been specifically defined in the Plan. Those definitions are incorporated by reference into this Disclosure Statement. Therefore, to fully understand this Disclosure Statement, Creditors must review the Plan.

At the Consolidated Hearing, the Bankruptcy Court (the "**Court**") will consider whether this Disclosure Statement in accordance with Section 1125(b) of the Bankruptcy Code contains information of a kind and in sufficient detail adequate to enable a hypothetical reasonable investor typical of the holders of Claims of the relevant Voting Classes (as defined below) to make an informed judgment whether to accept or reject the Plan. Approval of this Disclosure Statement by the Bankruptcy Court and the transmittal of this Disclosure Statement does not, however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan and should not be interpreted as being a recommendation by the Bankruptcy Court either to accept or reject the Plan.

Upon approval of the Disclosure Statement, the Bankruptcy Court shall immediately commence a hearing to consider confirmation of the Plan.

In summary, but subject to more specific details provided herein and in the Plan, the treatment of claims under the Plan contemplates a greater recovery than that which is likely to be achieved under other alternatives for reorganization or liquidation of the Debtor.

Accordingly, the Debtor believes that confirmation of its Plan is in the best interests of the Creditors and recommends that you vote to accept the Plan.

Accompanying or included as exhibits to this Disclosure Statement are the following:

1. A ballot for acceptance or rejection of the Plan and Dividend Election;
2. The Plan;
3. Financial Projections of the Debtor;¹
4. Summary Pages of Debtor's Bankruptcy Operating Reports;
5. A Liquidation Analysis;
6. 12 Month Prepetition Financial²;

ARTICLE I SUMMARY OF THE PLAN

A. Purpose of This Document.

The purpose of this Disclosure Statement is to provide the Holders of Claims with adequate information to make an informed judgment about the Plan. This information includes, among other things, (a) the procedures for voting on the Plan, (b) a summary of the Plan and an explanation of how the Plan will function, including the means of implementing and funding the Plan, (c) general information about the history and business of the Debtor prior to the Petition Date, (d) the events leading to the filing of the bankruptcy petition, and (e) a summary of

¹ This exhibit was not completed at the time of filing and will be filed within 14 days.

² This exhibit was not completed at the time of filing and will be filed within 14 days.

significant events which have occurred to date in this bankruptcy case.

This Disclosure Statement contains important information about the Plan and considerations pertinent to a vote for, or against, the confirmation of the Plan. All parties entitled to cast a ballot are encouraged to review this Disclosure Statement carefully.

Unless otherwise defined herein, all capitalized terms used in this Disclosure Statement have the meanings ascribed to them in the Plan. Any other term used in this Disclosure Statement and not otherwise defined shall have the meaning given to it in the Bankruptcy Code.

The summary of the Plan contained herein addresses only certain provisions of the Plan. As a summary, it is qualified in its entirety by reference to the Plan itself and any Plan Documents, which are referred to therein as being filed prior to Confirmation. Upon Confirmation and the Effective Date, the Plan and the Plan Documents referred to therein shall control and bind the Debtor, all of the Debtor's Creditors, and other parties in interest except as expressly set forth in the Plan.

The Plan Documents (i.e. all documents that aid in effectuating the Plan, including the Exhibits to the Plan), if any, shall be filed with the Bankruptcy Court with this Disclosure Statement; provided, however, that the Debtor may amend the Plan Documents through and including the Confirmation Date. Upon their filing with the Bankruptcy Court, the Plan Documents may be inspected in the Clerk's Office during normal business hours or may be obtained from the Debtor's counsel, O. Allan Fridman at (847) 412-0788.

B. Who May Vote.

Only the Holders of Claims which are deemed "Allowed" under the Bankruptcy Code and which are "Impaired" under the terms and provisions of the Plan are permitted to vote to accept or reject the Plan. For purposes of the Plan, the Holders of Allowed Claims in the Voting

Classes (i.e. Classes 2, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, and 29 are Impaired under the Plan and thus may vote to accept or reject the Plan.) Accordingly, a Ballot is being provided to members of the Voting Classes.

C. How to Vote.

Each holder of a Claim in a Voting Class should read this Disclosure Statement, together with the Plan and other exhibits hereto, in their entirety. After carefully reviewing the Plan and this Disclosure Statement and their respective exhibits, please complete the enclosed Ballot, including indicating your vote thereon with respect to the Plan, and return it as provided below. If you are a member of a Voting Class and did not receive a Ballot, if your Ballot is damaged or lost, or if you have any questions concerning voting procedures, please call O. Allan Fridman, counsel for the Debtor.

YOU SHOULD COMPLETE AND SIGN THE ENCLOSED BALLOT AND RETURN IT AS DESCRIBED BELOW. IN ORDER TO BE COUNTED, BALLOTS MUST BE DULY COMPLETED AND EXECUTED AND RECEIVED BY NO LATER THAN 4:30 P.M. (CENTRAL STANDARD TIME) ON THE BALLOT DATE DEADLINE OF _____ UNLESS SUCH DEADLINE IS EXTENDED BY COURT ORDER.

All Ballots should be returned and delivered by regular mail, hand delivery or overnight delivery:

United States Bankruptcy Court
Northern District of Indiana
5400 Federal Plaza
Hammond, Indiana 46320

and a copy of the executed Ballot should be mailed to:

O. Allan Fridman
Attorney for the Debtor
555 Skokie, Blvd., Suite 500

Northbrook, IL 60062, Tel: 847-412-0788

As the holder of an Allowed Claim in the voting Classes, your vote on the Plan is extremely important. In order for the Plan to be accepted and thereafter confirmed by the Court without resorting to the "cram-down" provisions of Section 1129(b) of the Bankruptcy Code as to other classes of Allowed Claims, votes representing at least two-thirds in amount and more than one-half in number of Allowed Claims of each impaired Class of Claims that are voting must be cast for the acceptance of the Plan. The Debtor is soliciting acceptances only from members of the Voting Classes. You may be contacted by the Debtor with regard to your vote on the Plan.

Procedures and more information concerning the acceptance and rejection of the Plan are set forth more fully in the section titled "Acceptance or Rejection of the Plan" on page 20.

D. Confirmation Hearing.

Pursuant to section 105(d)(2)(B) of the Bankruptcy Code, the Court may order that the hearing ("Consolidated Hearing") on the approval of this Disclosure Statement shall be consolidated with the hearing on the confirmation of the Plan, which hearing has been set for _____ at the United States Bankruptcy Court for the Northern District of Indiana, Courtroom 2200, Hammond Indiana. The Hearing may be adjourned from time to time by the Court without further notice except for an announcement of the adjourned date made at the hearing.

Objections to confirmation of the Plan or to approval of the Disclosure Statement shall be filed with the Court on or before _____, and served by the same date on the Debtor, Debtor's counsel and the United States Trustee.

ARTICLE II
SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIM
AND EQUITY INTERESTS

A. Introduction.

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize and/or liquidate its business for the benefit of itself and its creditors and equity holders. The formulation of a plan is the principal objective of a Chapter 11 case. In general, a Chapter 11 plan (i) divides Claims and equity interests into separate classes, (ii) specifies the property that each class is to receive under such plan, and (iii) contains other provisions necessary to the reorganization and/or liquidation of the Debtor. Chapter 11 does not require each holder of a claim or equity interest to vote in favor of the plan for the Bankruptcy Court to confirm the plan. However, a plan must be accepted by the holders of at least one impaired class of Claims without considering the votes of "insiders" within the meaning of the Bankruptcy Code. The Plan provides for payments on the Effective Date which is four months after the confirmation date.

B. Unclassified Administrative.

Except as otherwise provided below, each Holder of an Allowed Administrative Expense Claim shall be paid (a) on the Effective Date, an amount in Cash equal to the Allowed Amount of its Administrative Expense Claim, in accordance with § 1129(a)(9)(A) of the Bankruptcy Code, (b) under such other terms as may be agreed upon by both the Holder of such Allowed Administrative Expense Claim and the Debtor, or (c) as otherwise ordered by order of the Bankruptcy Court. The Debtor estimates these claims will be \$40,000.

All fees and charges assessed against the Estate under Chapter 123 of Title 28, United States Code, 28 U.S.C. §§ 1911-1930, through the Effective Date shall be paid to the United

States Trustee by the Debtor by no later than the Effective Date. Following the Effective Date, any such fees required pursuant to 28 U.S.C. § 1930(a)(6) arising or accruing from Distributions made by the Debtor or made under the Plan shall also be paid by the Debtor. All such payments to the United States Trustee shall be in the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) based upon the applicable disbursements for the relevant post-confirmation periods and shall be made within the time period set forth in 28 U.S.C. § 1930(a)(6), until the earlier of (i) the closing of the Bankruptcy Case by the issuance of a Final Order by the Bankruptcy Court on the Final Decree Date, or (ii) the entry of an order by the Bankruptcy Court dismissing the Reorganization Case or converting the Reorganization Case to another chapter under the Bankruptcy Code. The Debtor shall provide to the United States Trustee quarterly post-confirmation payment reports indicating the disbursements for the relevant periods.

Administrative expenses are costs or expenses of administering the Debtor's Chapter 11 case which are allowed under § 507(a)(2) of the Code. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a claimant agrees to a different treatment. Professional Fees of the Debtor until confirmation and a final award of fees and costs to the Debtor's attorneys, the final amount of the attorneys' fees cannot be determined. All administrative expenses are subject to court approval. Administrative expenses will be paid by appropriate court order after notice and hearing. The Debtor estimates administrative expenses will be \$40,000.00.

C. Unclassified Priority Claims.

Priority tax claims are unsecured income, employment and other taxes described by 507(a)(8) of the Bankruptcy Code. The Allowed Tax Claims, if any, will be paid in full within 60 equal monthly installments from the petition date plus statutory interest. This treatment of

Claims is intended to comply with the requirements of Section 1129(a)(9)(C) of the Bankruptcy Code.

D. Classification and Treatment of Claims and Equity Interests.

Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall classify the Claims of a debtor's creditors and interests of a debtor's equity holders. The Plan divides the Claims and Equity Interests into five classes.

Section 101 (5) of the Bankruptcy Code defines "claim" as a "right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured," or a "right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, disputed, undisputed, secured or unsecured." The Debtor is required under § 1122 of the Bankruptcy Code to classify the Claims and Equity Interests into separate Classes, which contain Claims, and Equity Interests that are substantially similar to the other Claims and Equity Interests within such Class.

The Debtor believes that it has classified all Claims and Equity Interests in compliance with the provisions of § 1122 of the Bankruptcy Code. However, it is possible that a Holder of a Claim or another interested party may challenge the classification of Claims and Equity Interests contained in the Plan and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, it is the Debtor's present intent, to the extent permitted by the Bankruptcy Court, to make such reasonable modifications of the classifications under the Plan to provide for whatever classification might be required by the Bankruptcy Court for Confirmation and to use the Plan acceptances received in this solicitation

for the purpose of obtaining the approval of the Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan. A reclassification of Claims after approval of the Disclosure Statement might necessitate a re-solicitation of acceptances or rejections of the Plan.

Set forth below is also a summary of each Class of Claims and Equity Interests and the expected Distributions under the Plan to Holders of Allowed Claims against the Debtor. Any estimates of Claims set forth in this Disclosure Statement are approximate and are based on amounts scheduled by the Debtor. Except as otherwise specifically provided in the Plan, the treatment of, and the consideration to be received by, Holders of Allowed Claims and Holders of Allowed Equity Interests pursuant to the Plan shall be in full and final satisfaction, settlement, release, extinguishment and discharge of their respective Allowed Claims (of any nature whatsoever) and Allowed Equity Interests.

Overview of Claims and Equity Interest: The following table briefly summarizes the classification and treatment of Claims and Equity Interests:

Class Name	Amount (Approx.)	Proposed Treatment	Vote
Class 1 Administrative and Expense Claims	\$40,000.00	Paid in full in cash on the effective date.	No
Class 2 Secured Claim of Byline Bank	\$208,951.57 (secured value) \$1,081,127.58* total prepetition loan balance.	Impaired. The Allowed claim consist of a prepetition arrearage of \$46,925.56 which will be paid in equal monthly installments over 36 months. The Loan secured by the Small Business Administration on a 15-year term	Yes

		expiring in 2019 will be reinstated and paid according the terms of the note.	
Class 3 Secured Claim of Ally Bank Lease Trust	\$6,046.35	Unimpaired. Paid according to terms of pre-petition financing agreement.	No
Class 4 Priority Claims of Internal Revenue Service	\$251,010.09	Unimpaired. The Allowed Claim to be paid in accordance with 1129(a)(9)(D) in equal monthly installments over a period of 60 months from the petition date	No
Class 5 Priority Tax Claims Indiana Department of Revenue	\$45,935.68	Unimpaired. The Allowed Claim to be paid in accordance with 1129(a)(9)(D) in equal monthly installments over a period of 60 months from the petition date.	No
Class 6 Priority Tax Claims Lake County Treasurer Office	\$3,555.84	Unimpaired. The Allowed Claim to be paid in accordance with 1129(a)(9)(D) in equal monthly installments over a period of 60 months from the petition date.	No
Class 7 Priority Tuckpointers Local 52 Pension Plan	\$56,057.90 Proof of Claim Subject to claim objection	Unimpaired. Paid in full in cash on the effective date.	No
Class 8 Priority Tuckpointers Local 52 Annuity Trust Fund	\$34,621.36 Proof of Claim Subject to claim objection	Unimpaired. Paid in full in cash on the effective date.	No
Class 9 Priority Claims Chicago Area Joint Welfare Committee, Local 52	\$65,658.83 Proof of Claim Subject to claim objection	Unimpaired. Paid in full in cash on the effective date.	No

Class 10 Priority Admin. Dist. Council 1 of Ill. of the Int'l Union	42,744.90 Proof of Claim Subject to claim objection	Unimpaired. Paid in full in cash on the effective date.	No
Class 11 Unsecured Admin. Dist. Council 1 of Ill. of the Int'l Union	\$25,946.15	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 12 Unsecured Claim of Byline Bank	\$872,176.01	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 13 Unsecured Illinois Department of Employment	\$15,428	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 14 Unsecured Tax Claims Indiana Department of Revenue	\$4,361.37	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 15 Unsecured Claim of Snap Financial	\$253,939.00	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 16 Unsecured Chicago Area Joint Welfare Committee, Local 52	\$168,024.11	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured	Yes

		Dividend.	
Class 17 Unsecured Claim of Platinum Rapid Funding Group	\$164,821.32	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 18 Unsecured Claim Bank De Leon	\$72,500.00	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend	Yes
Class 19 Unsecured Claim Arch Capital	\$62,950.00	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend	Yes
Class 20 Unsecured Bricklayers Local No. 6 of Indiana Welfare Fund	\$14,972.67	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend	Yes
Class 21 Bricklayers Local No. 6 of Indiana Pension Fund	\$19,221.44	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 22 Unsecured Claims of the Bricklayers and Trowel Trades	\$3,482.23	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured	Yes

		Dividend	
Class 23 Unsecured Claim of the Bricklayers Union Local 4 of IN/KY	\$6,337.45	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend	Yes
Class 24 Unsecured International Masonry Institute	\$981.57	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 25 Unsecured Claim Local 21 Brick Layers	\$20,567.00	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend	Yes
Class 26 Unsecured Claims of Glico Scaffolding Co., LLC	\$122,117.21	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 27 Unsecured Claim of the Internal Revenue Service	\$81,389.64	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend.	Yes
Class 28 Convenience Class	\$5,000 (estimated)	Unimpaired. On the initial Distribution Date, this class shall be paid in full.	No

Class 29 General Unsecured Claims	\$573,974.69	Impaired. On the initial Distribution Date, this class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata receive, in full satisfaction, settlement and release and discharge of its unsecured Claims pro-rata share of Unsecured Dividend	Yes
Class 30 Equity Interest	10,000	Impaired. Debtor shall cancel all its shares on Reorganized Debtor David Algozine and Joseph Algozine shall pay the sum of \$10,000 for his equity interest in the Reorganized Debtor.	Yes

Attached hereto as Exhibit 3 are the Debtor's estimates of Claims to be treated under the Plan.

The following describes the treatment of each Class of Claims and Interests under the Plan.

Class 1: Administrative Claims.

All debts incurred during the Bankruptcy Case, yet unpaid, will be paid in full upon the Effective Date or as otherwise agreed upon by the Creditor. These include the Claims of: (i) the Debtor's attorneys and accountants and the U.S. Trustee's Fees and (ii) debts incurred by the Debtor after the commencement of its Bankruptcy Case in the ordinary course of its business. The exact amount of these Claims is not known at this time; however, for purposes of this Disclosure Statement they have been estimated at \$40,000.

Class 2: Secured Claim of Byline Bank

Class 2 Consist of the claims of Byline Bank as successor in interest of Ridgestone as a Small Business Administration loan. The Debtor is a Co-Debtor along with Algozine Property LLC ("APL") on the loan with a face amount of \$1,150,000 on a 15-year term loan at the rate of 6.25% a.p.r. that will mature in September 2029. The loan is secured by the real property owned by APL located at 2000 North Lafayette Court, Griffith, IN 43619 along with all the assets of the Debtor including: equipment, figures, inventory, accounts, instrument, chattel paper and

receivables pursuant to a Security Agreement and a UCC financing Statement. Byline filed a proof of claim stating a secured balance of \$208,951.57³ and an unsecured balance of \$872,176.01. The Building owned by APL is currently listed for sale and has an estimated value of \$900,000. In the event the building is sold then the total indebtedness to Byline would be reduced by the net proceeds of the sale. Byline claim states a pre-petition arrearage of \$49,925.56 (“arrearage”).

In full satisfaction, settlement, release, and discharge of and in exchange for each the Allowed Claim shall receive and/or retain

A. Its lien on the property owned by the Debtor, with the same validity, enforceability, perfection and priority as it had on the Petition Date and as may have been acquired during this Chapter 11 case pursuant to Orders entered by the Bankruptcy Court, until the Allowed Secured Class 2 Claims are paid in full; and,

B. Payment of the entire arrearage of the Allowed Class 2 Claim, including any accrued interest, shall be paid in equal monthly payments over 36-month period from the petition date, as described:

1. Byline will receive a stream of monthly payments by the Debtor in the amounts set to be paid at a contract rate of interest of six and one quarter percent (6.25%) per annum in the amount of \$1,524.00 in 36 monthly payments, commencing on the effective date and continuing on the 25th day of each consecutive month thereafter, or the first business day thereafter if such date falls on a weekend or holiday listed in Bankruptcy Rule 9006, months from the petition date.

³ Byline Bank’s proof of claim number 9-1, attached the executed Note and UCC filings showing a first priority lien on all of the Debtor’s assets up to the full amount of Byline’s claim the face amount of the note is \$1,081,127.58. To the extent, the Debtor’s assets are valued Byline would have a claim up the pre-petition amount of \$1,081,127.58.

2. The Byline Loan will be reinstated on the effective date of the plan and the balance will be paid according to the contract terms of the pre-petition Note, until the building owned by APL is sold and the net proceeds will be used to pay the balance of the Byline Secured and Unsecured Claim. The APL building will be sold within 12 months of the effective date or sooner. Byline shall retain its rights to credit bid at any sale pursuant to §363 of the Bankruptcy Code. In the event, the proceeds of the sale of the APL property are insufficient to pay the entire balance of the claim, then the balance if any will be paid according the contract terms and rate, but the payment will be amortized to reflect the new balance of the loan for the remainder of the term of the Note. The Allowed Class 2 Claim **is impaired and entitled** to vote on the Plan.

Class 3: Secured Claim of Secured Ally Bank Lease Trust

Class 3 consists of the Secured Claim of Ally Bank Lease Trust (“Ally”) secured by a 2015 GMC ACADIA VIN: 1GKKVPKD0FJ207417. Ally has filed a proof of claim, in the amount of \$6,046.35 the lease is paid at the contract rate of \$578.62 per month. The Chase loan was a 39-month lease agreement and will be paid in full per the terms of the agreement until March 2, 2018 at the regular installment payment of \$403.09. The lease offers a purchase option at the end of the lease terms of \$25,000. The Debtor will file a motion to assume the lease. The Debtor does not intend to purchase the vehicle at the end of the lease term. The Class **is unimpaired and is not** entitled to vote.

Class 4: Priority Claims of Internal Revenue Service.

The IRS filed a proof of claim stating a priority claim against the Debtor in the amount of \$251,010.09. The payments will commence on the effective date and will be paid in full in equal monthly installments starting and finishing no later than 60 months from the Petition Date, with statutory interest of 4% paid at \$5,266.57 per month, unless the holder thereof agrees to a

different treatment. This treatment of Allowed Tax Claims is intended to comply with the requirements of Section 1129(a)(9)(D) of the Bankruptcy Code.

In full satisfaction, settlement, release, and discharge of and in exchange for each Class 4 Allowed Tax Claim, the IRS shall receive and/or retain:

A. Its statutory lien on the property owned by the Debtor, with the same validity, enforceability, perfection and priority as it had on the Petition Date and as may have been acquired during this Chapter 11; and

B. Payment of the entire unpaid balance of the Allowed Claim, including any accrued statutory interest, shall be paid in equal monthly payments over 60-month period from the petition date, as described:

1. The IRS will receive a stream of monthly payments by the Debtor in the amounts set forth to be paid at a fixed statutory rate of interest of four percent (4%) per annum in the amount of \$5,265.57⁴ in 60 monthly payments, paying principal and interest commencing on July 25, 2017 and continuing on the 25th day of each consecutive month thereafter, or the first business day thereafter if such date falls on a weekend or holiday listed in Bankruptcy Rule 9006, for the remainder of the 60 months from the petition date.

2. The Total Allowed Claim will be paid within the balance of time from the 60 Month period beginning on the Petition Date as provided pursuant to 1129(a)(9)(D). Should the Confirmation date or Effective date be continued or extended the payment schedule listed above will be adjusted so that the entire Allowed claim plus interest is paid in full by November 10, 2021.

⁴The payments must be completed within 60 months of the petition date pursuant to 11 USS 1129; this estimate is based on a 52-month payment schedule based on an estimated distribution date. Should payments begin later then this period will decrease causing payments to increase.

Class 5: Priority Claims of the Indiana Department of Revenue.

Class consists of the Priority Claim of the Indiana Department of Revenue (“IDOR”) The Allowed Tax Claims, in the amount of \$45,935.68 will be paid in full in equal monthly installments starting with the Initial Distribution Date and finishing no later than 60 months from the Petition Date with allowed statutory interest of 4% paid at \$963.60 per month⁵. The payments will commence on the Effective Date and continue for 60 months from the petition date with statutory interest until the claims are paid in full, unless the holder thereof agrees to a different treatment. This treatment of Allowed Tax Claims is intended to comply with the requirements of Section 1129(a)(9)(C) of the Bankruptcy Code.

IDOR shall retain its statutory lien on the property owned by the Debtor, with the same validity, enforceability, perfection and priority as it had on the Petition Date and as may have been acquired during this Chapter 11 case pursuant to Orders entered by the Bankruptcy Court, until the Allowed Class Claims are paid in full. The Class **is unimpaired and is not entitled** to vote.

Class 6: Priority Tax Claims Lake County Treasurer Office

The Class consists of the Priority Claim of the Lake County Treasurer (“Treasurer”) The Allowed Tax Claims, in the amount of \$45,935.68 will be paid in full in equal monthly installments starting with the Initial Distribution Date and finishing no later than 60 months from the Petition Date with allowed statutory interest of 4% paid at \$74.58 per month⁶. The payments

⁵ The payments must be completed within 60 months of the petition date pursuant to 11 USS 1129; this estimate is based on a 52-month payment schedule based on an estimated distribution date. Should payments begin later then this period will decrease causing payments to increase.

⁶ The payments must be completed within 60 months of the petition date pursuant to 11 USS 1129, this estimate is based on a 52-month payment schedule based on an estimated distribution date. Should payments begin later then this period will decrease causing payments to increase.

will commence on the Effective Date and continue for 60 months from the petition date with statutory interest until the claims are paid in full, unless the holder thereof agrees to a different treatment. This treatment of Allowed Tax Claims is intended to comply with the requirements of Section 1129(a)(9)(C) of the Bankruptcy Code.

The Treasurer shall retain its statutory lien on the property owned by the Debtor, with the same validity, enforceability, perfection and priority as it had on the Petition Date and as may have been acquired during this Chapter 11 case pursuant to Orders entered by the Bankruptcy Court, until the Allowed Class 6 Claims are paid in full. The Class **is unimpaired and is not** entitled to vote.

Class 7: Priority Claims the Priority Tuckpointers Local 52 Pension Plan.

The Class consists of the priority claims of the Priority Tuckpointers Local 52 Pension Plan (“Local 52”) and consists of the allowed priority claims for contributions to an employee benefit plan for actual hours worked by employees in the 180 days before the petition date pursuant to 11 USC 507 (a)(4) and (5). Each Holder of an Allowed Union Priority Claim shall receive, in full satisfaction, settlement, release, extinguishment and discharge of such Claim the amount of the allowed priority claim on the Effective Date.

The Class claimant filed a Proof of Claim alleging a \$56,057.90 as a priority amount of its claim. The Debtor disputes this amount and will be filing an objection to the priority portion of this proof of claim. The objection will be based on actual hours worked during the 180-day period and payments made pre-petition being applied to older invoices. A resolution of the claim objection will determine the amounts due for the priority portion of this claim. The Class **is unimpaired and is not** entitled to vote.

Class 8 Priority Tuckpointers Local 52 Annuity Trust Fund

The Class consists of the priority claims of the Laborers' Pension/Health/ Welfare Funds and consists of the allowed priority claims for contributions to an employee benefit plan for actual hours worked by employees in the 180 days before the petition date pursuant to 11 USC 507 (a)(4) and (5). Each Holder of an Allowed Union Priority Claim shall receive, in full satisfaction, settlement, release, extinguishment and discharge of such Claim the amount of the allowed priority claim on the Effective Date.

The Class claimant filed a Proof of Claim showing \$34,621.36 as a priority amount. The Debtor disputes this amount and will be filing an objection to the priority portion of this proof of claim. The objection will be based on actual hours worked during the 180-day period and payments made pre-petition being applied to older invoices. A resolution of the claim objection will determine the amounts due for the priority portion of this claim. The Class is unimpaired and is not entitled to vote.

Class 9: Priority Claims Chicago Area Joint Welfare Committee, Local 52.

The Class consists of the priority claims of the Laborers' Pension/Health/ Welfare Funds and consists of the allowed priority claims for contributions to an employee benefit plan for actual hours worked by employees in the 180 days before the petition date pursuant to 11 USC 507 (a)(4) and (5). Each Holder of an Allowed Union Priority Claim shall receive, in full satisfaction, settlement, release, extinguishment and discharge of such Claim the amount of the allowed priority claim on the Effective Date.

The Class claimant filed a Proof of Claim showing \$65,658.83 as a priority amount. The Debtor disputes this amount and will be filing an objection to the priority portion of this proof of claim. The objection will be based on actual hours worked during the 180-day period and payments made pre-petition being applied to older invoices. A resolution of the claim objection

will determine the amounts due for the priority portion of this claim. The Class **is unimpaired and is not** entitled to vote

Class 10 Priority Admin. Dist. Council 1 of Ill. of the Int'l Union

The Class consists of the priority claims of the Admin. Dist. Council 1 of Ill. of the Int'l Union and consists of the allowed priority claims for contributions to an employee benefit plan for actual hours worked by employees in the 180 days before the petition date pursuant to 11 USC 507 (a)(4) and (5). Each Holder of an Allowed Union Priority Claim shall receive, in full satisfaction, settlement, release, extinguishment and discharge of such Claim the amount of the allowed priority claim on the Effective Date.

The Class 10 claimant filed a Proof of Claim showing \$42,744.90 as a priority amount. The Debtor disputes this amount and will be filing an objection to the priority portion of this proof of claim. The objection will be based on actual hours worked during the 180-day period and payments made pre-petition being applied to older invoices. A resolution of the claim objection will determine the amounts due for the priority portion of this claim. The Class **is unimpaired and is not** entitled to vote

Class 11 Unsecured Admin. Dist. Council 1 of Ill. of the Int'l Union

On the Initial Distribution Date, the Admin. Dist. Council 1 of Ill. of the Int'l Union shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of \$25,946.15. The Class **is impaired and is entitled** to vote.

Class 12: Unsecured Claim Unsecured Claim of Byline Bank

Class 12 Consist of the unsecured claims of Byline Bank as successor in interest of Ridgestone as a Small Business Administration loan. The Debtor is a Co-Debtor along with

Algozine Properties LLC (“APL”) on the loan with a face amount of \$1,150,000 on a 15-year term loan at the rate of 6.25% Apr. that will mature in September 2029. The loan is secured by the real property owned by APL located at 2000 North Lafayette Court, Griffith, IN 43619 along with all the assets of the Debtor including: equipment, figures, inventory, accounts, instrument, chattel paper and receivables pursuant to a Security Agreement and a UCC financing Statement. Byline filed a proof of claim stating a secured balance of \$208,951.57 and an unsecured balance of \$872,176.01. The Building owned by APL is currently listed for sale and has an estimated value of \$935,000.

Class 12 will be paid by APL per the terms of the note and mortgage until the property is sold. Should the proceeds of the sale not satisfy the entire indebtedness that difference will be paid by the Debtor as a class 2 claim. The Class is impaired and is entitled to vote.

Class 13 Unsecured Illinois Department of Employment Security

The Class consists of the unsecured claim Illinois Department of Employment Security (“IDES”) claim approximate \$15,428 as scheduled by the Debtor. The Claimant had not filed proof of claim. On the Initial Distribution Date, the IDES shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The Class **is impaired and is** entitled to vote.

Class 14 Unsecured Tax Claims Indiana Department of Revenue

The Class consists of the Unsecured Tax Claims Indiana Department of Revenue (“IDOR). IDOR filed a proof of claim stating an unsecured balance of \$4,361.37. On the Initial Distribution Date, the IDOR shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The Class **is impaired and is** entitled to vote.

Class 15 Unsecured Claim of Snap Financial

This class consists of the Unsecured Claims of Snap (“Snap.”) Snap filed a proof of claim alleging that it has a secured claim of \$253,939.00. The Debtor has objection to this claim and will be filing a Valuation Motion pursuant to §506. Snap is the holder of a junior UCC security agreement. The Debtor’s Assets are fully encumbered by Byline Bank as shown in Class 2. Snap’s claim is subordinate to Byline Bank and will be treated as unsecured for purpose of the plan provided the Property is valued according the Debtor’s valuation. Pending a determination of the value of the Debtor’s Property by the Court, Snap will have an unsecured claim of \$253,939.00. On the Initial Distribution Date, the Class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The Allowed Claim **Is Impaired and is entitled** to vote on the Plan.

Class 16 Unsecured Chicago Area Joint Welfare Committee, Local 52

On the Initial Distribution Date, the Unsecured Claim Chicago Area of Joint Welfare Committee, Local 52 shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of \$168,024.11. The Class **is impaired and is** entitled to vote.

Class 17 Unsecured Claim of Platinum Rapid Funding Group

This class consists of the Unsecured Claims of Platinum Rapid Funding Group (“Platinum.”) Platinum filed a proof of claim alleging that it has a secured claim of \$164,821.32. The Debtor has objection to this claim and will be filing a Valuation Motion pursuant to §506. Platinum is the holder of a junior UCC security agreement. The Debtor’s Assets are fully encumbered by Byline Bank as shown in Class 2. Platinum’s claim is subordinate to Byline

Bank and will be treated as unsecured for purpose of the plan provided the Property is valued according the Debtor's valuation. Pending a determination of the value of the Debtor's Property by the Court, Platinum will have an unsecured claim of \$164,821.32. On the Initial Distribution Date, the Class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The Allowed Claim **is Impaired and is entitled** to vote on the Plan.

Class 18 Unsecured Claim Bank De Leon

This class consists of the Unsecured Claims of Bank De Leon ("BDL.") BDL has not yet filed a proof of claim the Debt was scheduled by the Debtor as \$72,500. The Debtor has objection to this claim and will be filing a Valuation Motion pursuant to §506. BDL is the holder of a junior UCC security agreement. The Debtor's Assets are fully encumbered by Byline Bank as shown in Class 2. BDL claim is subordinate to Byline Bank and will be treated as unsecured for purpose of the plan provided the Property is valued according the Debtor's valuation. Pending a determination of the value of the Debtor's Property by the Court, BDL will have an unsecured claim of \$72,500.00. On the Initial Distribution Date, the Class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The Allowed Claim **is Impaired and is entitled** to vote on the Plan

Class 19 Unsecured Claim Arch Capital

This class consists of the Unsecured Claims of Arch Capital ("Arch.") Arch has not yet filed a proof of claim the Debt was scheduled by the Debtor as \$72,500. The Debtor has objection to this claim and will be filing a Valuation Motion pursuant to §506. Arch is the holder of a junior UCC security agreement. The Debtor's Assets are fully encumbered by Byline Bank as shown in Class 2. Arch's claim is subordinate to Byline Bank and will be treated as

unsecured for purpose of the plan provided the Property is valued according the Debtor's valuation. Pending a determination of the value of the Debtor's Property by the Court, Arch will have an unsecured claim of \$62,950.00. On the Initial Distribution Date, the Class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The Allowed Claim **Is Impaired and is entitled** to vote on the Plan

Class 20 Unsecured Bricklayers Local No. 6 of Indiana Welfare Fund

On the Initial Distribution Date, the Unsecured Claim of the Chicago Area Joint Welfare Committee, Local 52 shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of \$14,972.67. The Class is **Impaired and is entitled** to vote.

Class 21 Unsecured Bricklayers Local No. 6 of Indiana Pension Fund

On the Initial Distribution Date, the Unsecured Claim Bricklayers Local No. 6 of Indiana Pension Fund shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of \$19,221.44. The Class is **Impaired and is entitled** to vote.

Class 20 Unsecured Claims of the Bricklayers and Trowel Trades

On the Initial Distribution Date, the Unsecured Claim the Bricklayers and Trowel Trades shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of \$3,482.23 The Class is **Impaired and is entitled** to vote.

Class 23 Unsecured Claim of the Bricklayers Union Local 4 of IN/KY

On the Initial Distribution Date, the Unsecured Claim of the Bricklayers Union Local 4 of IN/KY shall receive, in full satisfaction, settlement and release and discharge of its

unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of \$6,337.45. The Class **is Impaired and is** entitled to vote.

Class 24 Unsecured International Masonry Institute

On the Initial Distribution Date, the Unsecured Claim of the International Masonry Institute shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of \$981.57. The Class **is impaired and is** entitled to vote.

Class 25 Unsecured Claim Local 21 Brick Layers

On the Initial Distribution Date, the Unsecured Claim of Local 21 Brick Layers shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The class filed a proof of claim showing an unsecured amount of 20,567.00. The Class **is Impaired and is** entitled to vote.

Class 26 Unsecured Claims of Glico Scaffolding Co., LLC.

This class consists of the Unsecured Claims of Glico Scaffolding Co., LLC (“Gilco.”) Gilco filed a proof of claim alleging that it has a secured claim of \$122,117.21. The Debtor has objection to this claim and will be filing a Valuation Motion pursuant to §506. Gilco is the holder of a junior UCC security agreement. The Debtor’s Assets are fully encumbered by Byline Bank as shown in Class 2. Gilco’s claim is subordinate to Byline Bank and will be treated as unsecured for purpose of the plan provided the Property is valued according the Debtor’s appraisal. Pending a determination of the value of the Debtor’s Property by the Court, Gilco will have an unsecured claim of \$122,117.21. On the Initial Distribution Date, the Class shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-

rata share of Unsecured Dividend. The Allowed Claim **Is Impaired and is entitled** to vote on the Plan.

Class 27 Unsecured Tax Claims Internal Revenue Service

The Internal Revenue Service (“IRS”) filed a proof of claim stating an unsecured balance of \$81,389.64. On the Initial Distribution Date, the IRS shall receive, in full satisfaction, settlement and release and discharge of its unsecured Claims a pro-rata share of Unsecured Dividend. The Class is **impaired and is** entitled to vote.

Class 28 Convenience Class

The Debtor has claims that in aggregate are less than \$1,000 per claim and are minimal, and because the “paperwork” involved with claims will be costly to administer over the life of the Plan, the Debtor proposes to pay the entire amount of these claims on the Effective Date. The Class is **Unimpaired and is not** entitled to vote.

Class 29: General Unsecured Claims.

The Class claims are all the other claims against the Debtor that are neither secured nor entitled to priority. This Class claims are being paid per the Unsecured Dividend option. **Unsecured Dividend**” beginning on July 31, 2017, and on each subsequent January 31 and July 31 ending on January 31, 2022, a total of ten percent of the allowed amount of their claims, in equal semiannual installments, for a total of 10 payments. The Class is **Unimpaired and is not** entitled to vote.

Class 30: Equity Security Holder.

The 100% of the ownership of David Algozine and Joseph Algozine shall be cancelled on the Effective Date of the Plan. The Equity Interest holder shall pay to the Reorganized Debtor

the sum of Ten Thousand Dollars (\$10,000.00) this amount shall be the Debtor New Value Contribution.

In the event, there is a non-accepting class, then the New Value Contribution shall be subject to higher or better offers by a New Value Auction. The Debtor will publish a notice approved by the court for a new value auction in a newspaper published in the location of the Debtor, the terms of the auction will be subject to court approval later. If an entity offers more than the New Value Contribution for the purchase of the equity in the Reorganized Debtor, the Debtor shall conduct an auction for the sale of the equity in the Reorganized Debtor at the Confirmation Hearing. The highest and best offer at the auction shall constitute the New Value Contribution and the offeror shall constitute the new Interest holder(s) in the Reorganized Debtor.

If, in addition to the proposed contributions of David Algozine and Joseph Algozine pursuant to the terms of this Plan, at least one Qualified Bid for the New Value has been received, the Debtor will proceed with the Equity Auction to be held at the confirmation hearing. As soon as practicable after the conclusion of the Auction, the Debtor, (a) shall review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummation of the transaction, (b) shall determine, in their business judgment, which Qualified Bid is the highest or otherwise best offer (the "Winning Bid"), and the bidder making the Winning Bid (the "Winning Bidder"), and (c) reject at any time before entry of the Confirmation Hearing, any bid that, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtor, its estate and creditors (the "Bid Analysis"). After the Bid Analysis, the Debtor

shall ask the Bankruptcy Court to enter an order authorizing the Debtor to consummate the Sale of the Equity upon the terms of the Winning Bid, to the Winning Bidder, and to execute such additional documentation as is necessary to close such Sale upon the terms of the Winning Bid. Notwithstanding anything contained herein to the contrary, the sale of the Equity in the Reorganized Debtor to any Winning Bidder is contingent upon the entry of an order by the Bankruptcy Court confirming this Plan.

Notwithstanding anything to the contrary contained in this Plan, if David Algozine and Joseph Algozine are not the Winning Bidders, then (i) David Algozine and Joseph Algozine shall not make the New Value Contribution to the Reorganized Debtor, (ii) the Equity Interests shall be cancelled and extinguished on the Effective Date.

Parties wishing to overbid the current offer of the New Value Contribution for the equity interests in the Reorganized Debtor must (i) provide a written offer to the Debtor on or before the Confirmation Hearing setting forth the offeror's name, contact information and amount of offer; (ii) prior to the Confirmation Hearing, submit a cashier's check in the amount of \$10,000.00 payable to the Debtor ("Deposit") and provide evidence of ability to pay any additional amounts offered; (iii) make an offer in excess of the New Value Contribution; and (iv) be present at the Confirmation Hearing. Everything offers and submissions of Deposits must be made on or before the Confirmation Hearing and sent to Debtor's counsel: O. Allan Fridman, 555 Skokie Blvd. Suite 500, Northbrook, IL 60062.

E. Determination of Claims.

Unless otherwise ordered by the Bankruptcy Court, and except as to any late-filed Claims and Claims resulting from the rejection of executory contracts or unexpired leases, if any, all objections to Claims shall be filed with the Bankruptcy Court by no later than thirty (30) days

following the Effective Date (unless such period is extended by the Bankruptcy Court), and the Confirmation Order shall contain appropriate language to that effect. Holders of Unsecured Claims that have not filed such Claims on or before the Bar Date shall serve notice of any request to the Bankruptcy Court for allowance to file late Unsecured Claims on the Debtor's Counsel and such other parties as the Bankruptcy Court may direct. If the Bankruptcy Court grants the request to file a late Unsecured Claim, such Unsecured Claim shall be treated in all respects as a Class 6 General Unsecured Claim. Objections to late-filed Claims and Claims resulting from the rejection of executory contracts or unexpired leases shall be filed on the later of (a) sixty (60) days following the Effective Date or (b) the date thirty (30) days after the Debtor receives actual notice of the filing of such Claim.

F. Assumption and Rejection of Executory Contracts and Leases.

Pursuant to §§ 365 and 1123(b)(2) of the Bankruptcy Code, all. The Debtor shall assume the its office lease, and shall cure all arrearages and breaches if any thereunder within sixty (60) days after the Effective Date.

G. Acceptance or Rejection of the Plan.

Each Impaired Class Entitled to Vote Separately

The Holders of Claims or Interests in each Impaired Class of Claims or Interests shall be entitled to vote separately to accept or reject the Plan.

Acceptance by Impaired Classes

Pursuant to Section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims will have accepted the Plan if (a) the Holders (other than any Holder designated pursuant to Section 1126(e) of the Bankruptcy Code) of at least two-thirds (2/3) in dollar amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other

than any Holder designated pursuant to Section 1126(e) of the Bankruptcy Code) of more than one-half (2) in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

Best Interests Standard

The Bankruptcy Code requires that the Plan meet the "best interest" test, which requires that members of a Class must receive or retain under the Plan, property having value not less than the amount which the Class members would have received or retained if the Debtor was liquidated under Chapter 7 on the same date. The Debtor believes that Distributions to all Impaired Classes of Claims in accordance with the terms of the Plan would exceed the net Distribution that would otherwise take place in Chapter 7. Attached is the Liquidation Analysis (Exhibit 4) that shows that creditors will receive under the Plan more than they would receive if the Debtor were liquidated under Chapter 7.

Confirmation without Acceptance by all Impaired Classes

If one or more of the Impaired Classes of Claims does not accept Plan, it may nevertheless be confirmed and be binding upon the non-accepting Impaired Class through the "cram-down" provisions of the Bankruptcy Code, if the Plan does not "discriminate unfairly" and is "fair and equitable" to the non-accepting Impaired Classes.

Discriminate Unfairly

The Bankruptcy Code requirement that a plan not "discriminate unfairly" means that a dissenting class must be treated equally with respect to other classes of equal rank. The Debtor's Plan does not "discriminate unfairly" with respect to any Class of Claims or Equity Interests because no class is afforded treatment which is disproportionate to the treatment afforded other Classes of equal rank, and the treatment under the Plan follows the Distribution scheme dictated

by the Bankruptcy Code.

Fair and Equitable Standard

The "fair and equitable" standard, also known as the "absolute priority rule," requires that a dissenting class receive full compensation for its allowed Claims or interests before any junior class receives any Distribution. The Debtor believes the Plan is fair and equitable to all Classes pursuant to this standard. With respect to the Impaired Classes of Claims, Bankruptcy Code § 1129(b)(2)(B) provides that a plan is "fair and equitable" if it provides that (i) each Holder of a Claim of such a class receives or retains on account of such claim, property of a value as of the effective date of the plan equal to the allowed amount of such claim; or (ii) the Holder of any Claim or interest that is junior to the Claims of such class will not receive or retain any property under the plan on account of such junior claim or interest.

The Debtor believes that the Plan satisfies the absolute priority rule or any exception thereto. Accordingly, if necessary, the Debtor believes the Plan meets the requirements for Confirmation by the Bankruptcy Court, notwithstanding the non-acceptance by an Impaired Class of Claimants.

Non-Confirmation of the Plan

If the Bankruptcy Court does not confirm the Plan, the Court may permit the filing of an amended plan, dismiss the case, or convert the case to Chapter 7. In a Chapter 7 case, the Debtor's Assets would be sold and distributed to the Unsecured Creditors after the payment of all Secured Claims, costs of administration and the payment of Priority Claims.

**ARTICLE III
THE DEBTOR'S OPERATIONS AND HISTORY**

The Debtor is a Union tuckpointing and masonry restoration company employing 17 employees in Northern Indiana and Northern Illinois. The Debtor began operations in 1946 as a

masonry tuckpointing company in Northern Indiana. The Debtor was incorporated in 1981 and it was acquired by its current owners David Algozine and Joseph Algozine (“the Shareholders”) in 2001. The Debtor is a signatory with the various trade unions based upon the location and the type of work performed. The Debtor does a substantial amount of work for restoration of historic brick buildings, municipal projects, schools, hospitals as well as commercial projects and some multi-unit residential projects. The Debtor has developed a reputation in the industry as skilled in the restoration of historic buildings. When the Shareholders acquired the Debtor, the business grew along with the real estate market. The Shareholders made changes to improve logistics and expand the business. In 2005 the Shareholder acquired the property located at 2000 North Lafayette Court, Griffith, IN 43619, the property was acquired by entity owned by the Shareholders titled Algozine Properties LLC (“APL.”)

During the financial crisis in the Nation’s economy beginning from 2010 to 2012, the Debtor experienced financial distress due to reduced work and the inability to collect monies due from its clients. In 2012 as the general real estate, market declined along with the economy the Debtor’s revenue fell. In 2012, some of the Debtor’s clients failed to pay several projects causing losses in excess of \$200,000. These losses depleted the Debtor’s already weakened cash reserves and made operations difficult. The Debtor’s trade practices require that it performs work in advance of payment and is required to pay materials, payroll and tax contributions weekly along with monthly union contributions, but clients do not pay on these projects until a draw request is made some 30-60 days later resulting in a cash flow gap. The union contributions often equal the hourly pay for the various union members, such that some job end up costing as much as \$90 per hour.

During the Financial crisis, the Shareholders expended personal funds and would often advance monies to cover payroll and the Debtor's operations. When the Shareholders personal funds were depleted, the Debtor was required to obtain financing to replace the working capital lost. Due to the economic crisis, the Debtor was unable to obtain conventional financing and was required to utilize short-term lenders and pay daily interest payments at high interest rates to cover operations. In 2014, the Debtor obtained an SBA loan from Ridgestone Bank with a 15-year term to refinance the APL building and provide an operating loan. When the Ridgestone loan was finalized the loan was \$400,000 less than the requested loan amount and the Debtor was yet again left without operating capital and had to turn to short term lenders to meet operating costs.

ARTICLE IV THE CHAPTER 11 CASE

1. Filing of the Reorganization Case.

On November 10, 2016, the Debtor's Chapter 11 case was commenced, when the Debtor filed its voluntary petition seeking relief under Chapter 11 of the United States Bankruptcy Code.

2. Administration of the Reorganization Case.

Since the commencement of the Debtor's Chapter 11 Case, the Debtor has operated under the jurisdiction of the Bankruptcy Court pursuant to the provisions of the Bankruptcy Code. During the pendency of the Bankruptcy Case, the Debtor has filed and submitted to the Bankruptcy Court detailed monthly statements reflecting its operations, cash flow, profit and loss, and financial condition, summaries of which are attached hereto as Exhibit 4.

3. Cash Collateral Motions

The Debtor has sought and obtained emergency and interim cash collateral motions with the agreement of Byline Bank.

4. Claim Objections and Preference Actions

The last date to file claims was set by the Court as March 9, 2017. The Debtor is still analyzing the claims but has indicated various objections to priority claims of certain labor unions, the claim objection is based on either hour worked in the 180-day pre-petition period exceed the hours recorded by the debtor and/or payments made pre-petition in the 180-day period were applied to old debt. A claim objection will resolve these issues. Within the 90 days prior to petition certain judgment creditors seized and garnished the debtors account, the Debtor is investigating the amounts and application of the garnishment for avoidance actions.

**ARTICLE V.
MEANS OF IMPLEMENTING THE PLAN**

1. Source of Payments.

As described above, (a) Administrative Claims will be paid from the Debtor's future operations; (b) secured Classes will be paid from future earnings; (c) priority Classes will be paid from the funds on hand on the Effective Date; and (d) unsecured Classes from the Debtor's future operations. In addition, the New Value Contribution may be used to fund Plan payments. A copy of the Debtor's pro forma projections is attached hereto as Exhibit 3.

2. Distributions under the Plan.

The effective date of this Plan means the first Business Day occurring on or after the fourth month after the Confirmation Date; provided, however, that if a stay of the Confirmation Order is in effect on such first Business Day, then the Effective Date shall be within four month thereafter on which, if the Confirmation Order has not been vacated, no stay of the Confirmation

Order is in effect.

The Initial Distribution Date” (“Initial Distribution Date”) will be the thirty (30) days after the Effective Date. On the Distribution date the Debtor will make payments as listed in exhibit 3.

3. Plan Disbursing Agent.

The Debtor’s Secretary David Algozine will serve as the Disbursing Agent for the Plan and the Debtor will administer the Plan and any payments called for herein. No separate compensation will be paid to the Disbursing Agent for performing the services called for under the Plan.

4. Other Pertinent Provisions.

Pursuant to § 1146(a) of the Bankruptcy Code, the issuance, distribution, transfer or exchange of any security or the making, delivery or recording of any instrument of transfer pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or the revesting, transfer or sale of any real or personal Property of, by or in the Debtor pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or any transaction arising out of, contemplated by or in any way related to the foregoing, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall be, and hereby are, directed to forego the collection of any such tax or governmental assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

5. Unclaimed Distributions.

With respect to unclaimed distributions by either a Holder of an Allowed Administrative Claim or a Holder of an Allowed Priority Claim, if such Holder fails to negotiate a check issued to such Holder within ninety (90) days of the date such check was issued, then the Debtor may provide written notice to such Holder stating that unless such Holder negotiates such check within thirty (30) days of the date of such notice, the amount of cash attributable to such check will be deemed to be unclaimed, such Holder's Claim will no longer be deemed to be Allowed, and such Holder will be deemed to have no further Claim in respect of such check and will not participate in any further distributions under the Plan.

If a distribution to such Holder is returned due to an incorrect or incomplete address for the Holder of such Allowed Claim, as to such distribution within one hundred twenty (120) days of the return of such distribution, then the amount of cash attributable to such distribution will be deemed to be unclaimed and such Holder will be deemed to have no further Claim in respect of such distribution and will not participate in any further distributions under the Plan.

Any unclaimed cash distribution as described above will be distributed to other Holders of Allowed Claims in the same Class as the unclaimed distributee, utilized to pay Allowed Claims of higher priority, or transferred to the Debtor for further distribution to the creditors pursuant to the Court's directive.

6. Transfers of Claims.

In the event, that the Holder of any Claim will transfer such Claim on and after the Effective Date, it will immediately advise the Reorganized Debtor, the Debtor and the Trustee and their counsel in writing of such transfer. The Reorganized Debtor, the Debtor and the

Trustee will be entitled to assume that any Holder has made no transfer of any Claim unless such parties have received written notice to the contrary. Each transferee of any Claim will take such Claim subject to the provisions of the Plan and to any request made, waiver or consent given, or other action taken hereunder and, except as otherwise expressly provided in such notice, the Reorganized Debtor, the Debtor or the Trustee will be entitled to assume conclusively that the transferee named in such notice will thereafter be vested with all rights and powers of the transferor under the Plan.

7. Discharge of Claims.

Except as expressly provided in the Plan or the Confirmation Order, all Claims against Debtor, except to the extent of valid claims against co-obligors, shall be satisfied by the distributions or treatments received under this Plan. Further, except as expressly provided in the Plan or the Confirmation Order, all Holders shall be precluded from asserting against the Reorganized Debtor, or its assets, or, any further Claim based on any act, omission, transaction or activity of any kind or nature that occurred before the Confirmation Date, whether or not such holder filed a proof of claim in this Case.

Except as provided for in the Plan, all holders of Interests shall be precluded from asserting against the Reorganized Debtor, or its assets, because such Interests, any further right, title or interest based on any act, omission, transaction or activity of any kind or nature that occurred before the Effective Date, whether such holder filed a proof of interest in Case.

As of the Effective Date, all entities that have held, currently hold or may hold a Claim against the Debtor are permanently enjoined from taking any of the following actions on account of any such Claim against the Reorganized Debtor as provided in the Plan or the Confirmation Order: (i) commencing or continuing in any manner any actions or other proceeding; (ii)

enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; and (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation.

8. Modification of Plan.

The Debtor may modify the Plan at any time prior to the entry of the Confirmation Order provided that the Plan as modified and the Disclosure Statement meet applicable requirements of the Bankruptcy Code and the Rules.

After the Confirmation Date and before the Effective Date of the Plan, the Debtor or the Reorganized Debtor (as the case may be) may modify the Plan in a way that materially or adversely affects the interests, rights, treatment, or distributions of a Class of Claims, provided that (a) the Plan, as modified, meets applicable Bankruptcy Code requirements; (b) the Debtor obtains Bankruptcy Court approval for such modification, after notice and a hearing; (c) such modification is accepted by at least two-thirds in amount, and more than one-half in number, of Allowed Claims or Allowed Equity Interests voting in each Class adversely affected by such modification; and (d) the Debtor comply with Section 1125 of the Bankruptcy Code with respect to the Plan, as modified.

In the event any Class of Claims votes against the Plan, and the Plan is not revoked or withdrawn, the Debtor hereby requests, and will be allowed, to modify the terms of the Plan to effect a "cramdown" on the dissenting Class or Classes by (a) restructuring the treatment of any Class on terms consistent with Section 1129(b)(2)(B) of the Bankruptcy Code, or (b) deleting distributions to all Classes at or below the level of the objecting Class, or reallocating such distributions, until such impaired senior Classes are paid in accordance with the absolute priority rule of Section 1129(b) of the Bankruptcy Code. The Debtor may make such modifications or

amendments to the Plan and such modifications or amendments will be filed with the Bankruptcy Court and served on all parties in interest entitled to receive notice of the Confirmation Hearing. No such modifications will require any re-solicitation of acceptances as to the Plan by any Class of Claims unless the Bankruptcy Court will require otherwise.

Notwithstanding any provision of the Plan to the contrary, the Debtor reserves all rights it may have to challenge the validity, perfection, priority, scope, and extent of any Liens in respect to any Secured Claims and the amount of any Secured Claims, the Holders of which have not accepted the Plan.

9. Revocation or Withdrawal of the Plan.

The Debtor reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan is revoked or withdrawn, or if Confirmation of the Plan does not occur, then the Plan will be deemed null and void in all respects and nothing contained in the Plan will be deemed to (a) constitute a waiver or release of any Claims by or against, or Equity Interests in, the Debtor or any other person or other entity, or (b) prejudice in any manner the rights of the Debtor or any other Person or other Entity in any further proceedings involving the Debtor.

10. Risk Factors.

Certain substantial risk factors are inherent in most commitments made pursuant to a plan of reorganization in a Chapter 11 case. If such plans are accepted, it is usually because they represent a greater hope for returns and dividends than in a liquidating Chapter 7 case. The Debtor's business is tied to the housing market as such it is dependent on the changes in the market. All the risk factors inherent in commitments made pursuant to a Plan of Reorganization in Chapter 11 cases are present in this case. With the Plan of reorganization, the Debtor proposes a viable repayment of its debts.

11. Tax Consequences of Plan.

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, and/or Advisors.

Pursuant to section 166 of the Internal Revenue Code (the "IRS Code"), the amount of any debt discharged in this proceeding may be eligible to be deducted by creditors to the extent of their tax basis in the debt discharged. Creditors are advised to consult with their tax advisors with respect to the specific consequences to them resulting from the discharge, which will depend upon their specific circumstances.

The potential tax consequences to the Debtor, any successor or hypothetical investor could be significant. The discharge of a debt under the Chapter 11 of the Bankruptcy Code will not result in income to the Debtor pursuant to IRS Code Section 108. However, tax attributes on a going forward basis such as net operating losses, general business credits, minimum tax credits and capital loss carryovers may be lost or reduced. In addition, the basis for assets, passive activity carryovers and foreign tax credit carryovers may also be reduced.

**ARTICLE VI
FEASIBILITY OF THE PLAN**

The Debtor believes the Plan is Feasible. The Debtor believes that the Reorganized Debtor will have sufficient cash flow to operate profitably and pay the Priority Pension Claims as well as Unsecured Dividend. Attached hereto as Exhibit 3 is a projection for the Debtor that demonstrates that it will generate sufficient revenue over the life of the Plan to make the payments called for in the Plan. As such, the Debtor believes that the Plan is feasible.

**ARTICLE VII
LIQUIDATION ANALYSIS**

Liquidation Will Not Pay Creditors in Full. If the Debtor's estate were liquidated, the proceeds of such liquidation would first be used to pay the Class 2, 3, 4, 5, 6, 7, and 9 Claims. As described in greater detail in the liquidation analysis attached hereto as Exhibit 5, the Debtor believes that the proceeds of such liquidation would not yield a dividend to the General Unsecured Creditors.

**ARTICLE VIII
ANNUAL FINANCIAL STATEMENTS**

Financial Statements. Attached hereto as Exhibit 6 are financial statements for the Debtor's operations during the year prior to the commencement of the Debtor's Chapter 11 Case.

**ARTICLE IX
OFFICERS AND DIRECTORS**

Officers and Directors. The Plan does contemplate a change in the Debtor's management; the Reorganized Debtor's management will consist of David Algozine as President and Secretary.

**ARTICLE X
ALTERNATIVES TO THE PROPOSED PLAN**

Conversion to a Liquidation Case the Alternative. The alternative to the Plan, as proposed, would be conversion of the Chapter 11 Case to Chapter 7 Case and the subsequent liquidation of the Debtor's assets by an appointed or elected Trustees. As indicated above and as disclosed by the Liquidation Analysis attached hereto as Exhibit 5, the Debtor believes that the proceeds of the liquidation of its estate will yield no dividend to the General Unsecured Creditors.

**ARTICLE XI
DEBTOR'S RECOMMENDATION**

The Debtor believes that it is in the best interest of the Estate, its Creditors and its Equity Security Holders for the proposed Plan to be approved and, as such, the Debtor urges its Creditors cast ballots to accept the Plan.

Algozine Masonry Restoration, Inc.
Debtor and Debtor in Possession

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