

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

IN RE: \* CASE NO. 12-76037-MHM  
\*  
INTERSTATE PROPERTIES LLC, \* CHAPTER 11  
\*  
Debtor. \*

**DEBTOR'S DISCLOSURE STATEMENT**

COMES NOW INTERSTATE PROPERTIES, LLC ("Debtor") Debtor in the above-styled case, and in accordance with 11 U.S.C. § 1125, submits this Disclosure Statement as follows:

**I. INTRODUCTION**

**A. Introduction**

Debtor submits this Disclosure Statement (the "Disclosure Statement") pursuant to Section 1125 of the Bankruptcy Code, 11 U.S.C. § 1125, and Bankruptcy Rules 3016 and 3017, to creditors of Debtor and holders of equity interests in corporate Debtor (collectively the "Claimants") to disclose information to enable Claimants to make an informed decision in exercising their rights to accept or reject Debtor's Proposed Plan of Reorganization (the "Plan") filed by Debtor with the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the "Bankruptcy Court").

Debtor believes this Disclosure Statement contains the information that is material, important and necessary for its creditors and interest holders to arrive at an informed decision in exercising their right to vote for acceptance of the Plan. A copy of the Plan accompanies this Disclosure Statement. As holder of a claim against or interest in Debtor, your acceptance is important. For a class of claims to accept the Plan,

acceptances must be filed by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims for such class that actually vote on the Plan. A failure to vote on the Plan does not constitute either an acceptance or rejection of the Plan. Debtor urges parties in interest to read this Disclosure Statement and the Plan carefully prior to casting votes for or against the Plan.

**B. Representations**

NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT A DECISION. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN REVIEWED OR PASSED UPON BY AN ACCOUNTANT. THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY ALTHOUGH ALL SUCH INFORMATION IS ACCURATE TO THE DEBTOR'S BEST KNOWLEDGE, INFORMATION AND BELIEF. THE COURT HAS NOT VERIFIED THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND THE COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT IMPLY THAT THE COURT ENDORSES OR APPROVES THE PLAN, BUT ONLY THAT IF THE INFORMATION IS ACCURATE, IT IS SUFFICIENT TO PROVIDE AN ADEQUATE BASIS FOR CREDITORS AND INTEREST HOLDERS TO MAKE INFORMED DECISIONS WHETHER TO APPROVE OR REJECT THE PLAN. THE INFORMATION CONTAINED HEREIN IS PROVIDED AS OF THE

DATE OF THIS DISCLOSURE STATEMENT UNLESS CLEARLY INDICATED TO THE CONTRARY.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN BUT HAS BEEN REVIEWED PURSUANT TO 28 U.S.C. § 586(a) BY THE U.S. TRUSTEE'S OFFICE OF THE DEPARTMENT OF JUSTICE.

**C. Defined Terms**

Most words or phrases used in this Disclosure Statement shall have their usual and customary meanings. Some words or phrases when used in the context of the Plan and Disclosure Statement with initial capital letters shall have the definitions set forth in the Plan. Unless otherwise defined, the terms used in this Disclosure Statement shall have the same meaning as in the Bankruptcy Code or Rules.

**II. BACKGROUND INFORMATION**

**A. Interstate Properties, L.L.C.**, is a Florida limited liability company incorporated August 23, 2001. It is engaged in the business of owning, developing, selling and leasing commercial real estate.

**B. Description of Assets of Debtor (Real Estate)**

Assets of the Debtor consist of a 100% interest in the following properties:

(a) The Crossings Shopping Center located at the intersection of State Route 43 and Interstate 79, Elkview, West Virginia. The property contains approximately 62 acres of land with 208,205 s/f of total building area with five outparcels. Major tenants include K-Mart, Kroger, Kroger Fuel Outlet, CVS, Advance Auto, Dollar Tree, Bob Evans, McDonald's, Pizza Hut, Subway, Radio Shack, Exxon, Shoe Show, Kanawha County Library, Rent-a-Center, La Caretta Mexican Restaurant

and Ponderosa. Phase I of the shopping center was constructed in 1989 and underwent renovations in 2008. Phase II was constructed in 2007 and an additional 16,000 s/f was constructed in 2012. The center is 94.23% leased.

Diversified Evaluation Company, West Virginia Certified General Appraiser (Certificate No. 344) appraised the shopping center on December 16, 2010, subject to the conditions of the "Uniform Standards of Professional Appraisal Practice". As of the date of inspection, the combined appraised value is \$18,450,000. The existing mortgage is approximately \$12,860,707, principal amount.

(b) Covington Place Shopping Center located at the intersection of Covington Highway and Interstate 285, Atlanta, Georgia contains 15.38 acres of land and approximately 120,441 s/f of total building area with two freestanding buildings on outparcels. The current major tenant is Family Dollar. The center was constructed in 1986 and completely renovated in late 2003.

CB Richard Ellis in Atlanta, GA appraised the shopping center on June, 2013. Subject to the conditions of the "Uniform Standards of Professional Appraisal Practice", the appraised value is \$3,700,000. The original mortgage was approximately \$5,023,733.

(c) A 95 acre tract of land located on twin four-lane highways 231 & 84 in Dothan, Alabama. Debtor believes Carter Bank & Trust appraised the property in June of 2013 for \$6,300,000.

Valuation:

	<u>Appraised Value</u>	<u>Existing Mortgages</u>	<u>Total Equity</u>
The Crossings Shopping Center	\$18,450,000	\$12,860,707	\$5,589,293
Covington Place Shopping Center	\$3,700,000	\$5,023,733*	(\$1,323,733)
95 acres (2 tracts) of land – Dothan, AL	<u>\$6,300,000</u>	<u>\$7,596,665*</u>	<u>(\$1,296,655)</u>
Totals	\$28,450,000	\$25,481,105	\$2,968,895

**C. Other Assets**

In addition to the real estate owned by Debtor, Debtor currently has pending in the United States District Court for the Northern District of Georgia a suit for damages against Supervalu, Inc. and Delhaize The Lion America, Inc. for damages to the

Covington Highway, Decatur, Georgia shopping center. Debtor believes that the value of this lawsuit is at least \$2,400,000.00.

\*This amount is included in the \$47,000,000.00 obligation owed Carter Bank & Trust secured by nine (9) other properties not belonging to Debtor.

2. **Liabilities of Debtors**

The chief liabilities of the Debtor, as of the filing of the Chapter 11 petition consisted of secured claims, reflecting loans against real estate owned by Debtor.

\*This amount included in the \$47,000,000.00 obligation owed Carter Bank & Trust secured by nine (9) other properties not belonging to Debtor.

As of the date of this Disclosure Statement, the debts owed by Debtor may be listed as follows using the classification employed in the Plan:

1.	Administrative Claims	
	George M. Geeslin (Debtor Attorney) (\$12,000.00 retainer paid)	\$30,000.00
	Freisem, Macon, Swann and Malone	\$60,000.00
	O'Neal & Associates	\$20,000.00
2.	Carter Bank & Trust	\$47,000,000.00
3.	American National Insurance Company	\$14,000,000.00
4.	Dekalb County Tax Commissioner	\$100,000.00
5.	Kanawha County Tax Commissioner	\$79,000.00
6.	Dothan (Alabama) Tax Commissioner	\$36,000.00
7.	Dekalb County Water and Sanitation Department	\$26,000.00
8.	General Unsecured Claims \$5,000.00 or greater (4 claims)	\$855,000.00
9.	General Unsecured Claims less than \$5,000.00 (2 Claims)	\$5,000.00

- |     |  |            |
|-----|--|------------|
| 10. | Tenants (28 tenants; 3 at Covington Highway) | Contingent |
| 11. | Equity-Abruzzino                             | N/A        |

C. **Recent Income to Debtor**

Currently, the Debtor's income is generated almost entirely through the business of owning, developing, renting and selling real estate. Debtor's income from operations and sales will be necessary to fund the Plan in this case. The Plan is expected to last for a period of twelve (12) months from the Effective Date, Debtor may hold auction sales of real estate in order to complete funding of the Plan. Also, Debtor believes that it will be able to refinance prior to the Effective Date The Crossings Shopping Center (Class3-ANICO) and thereby reinstate and pay off that Class 3 claim by the Effective Date.

D. **Reasons for Filing Chapter 11**

Debtor filed this Chapter 11 petition largely as a result of pending proceedings brought by ANICO seeking foreclosure on certain property. In addition, the general downturn of the economy and depressed real estate conditions over the last two to three years contributed to the need to file these cases.

III. **THE PLAN**

**CLASSIFICATION OF CLAIMS AND INTERESTS**

All Allowed Claims and Allowed Interests are placed in the following classes.

**Class 1:** Class 1 claims consist of Allowed Administrative Priority Claims of professionals employed by the Estate of Debtor—George M. Geeslin, Attorney for Debtor-in-Possession, O'Neal & Associates, P.C., Accountants for Debtor and C. Cyrus Malone and the law firm of Freisem, Macon, Swann and Malone, special counsel for

Debtor.

**Class 2:** Class 2 claims consist of the Allowed Secured Claims of Carter Bank & Trust in the principal amount for \$47,000,000.00 which is secured by 11 properties, two of which are owned by the Debtor (1) Covington Place Shopping Center, Decatur, Georgia and (2) Dothan Village (under construction), Dothan, Alabama

**Class 3:** Class 3 claims consist of the Allowed Secured Claims of American National Insurance Company ("ANICO") in the approximate amount of \$14,000,000.00 which is secured by a shopping center located in Elkview, West Virginia and known as "The Crossings Shopping Center".

**Class 4:** Class 4 claims consist of the Allowed Claims for ad valorem property taxes owed to Dekalb County (GA) Tax Commissioner in the approximate amount of \$100,000.00, relating to Debtor's Dekalb County (GA) property.

**Class 5:** Class 5 claims consist of the Allowed Claims for ad valorem property taxes owed Kanawha County Tax Commissioner (West Virginia) in the approximate amount of \$79,000.000, relating to Debtor's West Virginia Property.

**Class 6:** Class 6 claims consist of the Allowed Claims for ad valorem property taxes owed Stania M. Mathew, Revenue Commissioner, Dothan Alabama in the approximate amount of \$36,000.00, relating to Debtor's Dothan, Alabama property.

**Class 7:** Class 7 claims consist of the Allowed Utility Claims, secured or otherwise, in favor of Dekalb County (GA) Water and Sanitation Departments in the total amount of approximately of \$26,000.00

**Class 8:** Class 8 claims consist of the general unsecured claims of creditors with claims of \$5,000.00 or more.

**Class 9:** Class 9 claims consist of administrative convenience general, unsecured claims held by any creditor with a claim of less than \$5,000.00

**Class 10:** Class 10 interests consist of tenants at Debtor's two shopping centers who are not currently creditors but, at most, hold contingent claims in the event of a breach of lease by Debtor—resulting in damages.

**Class 11:** Class 11 interests consist of the 100% equity interest of Mr. and Mrs. William Abruzzino, in the corporate Debtor, Interstate Properties, LLC.

**CLAIMS AND INTERESTS NOT IMPAIRED UNDER THE PLAN**

- (a) Class 1. Administrative Claims.
- (b) Class 3. American National Insurance Company
- (c) Class 10. Tenants at (2) Shopping Centers
- (d) ALL OTHER CLAIMS AND INTERESTS ARE IMPAIRED UNDER

THIS PLAN

**TREATMENT OF CLAIMS AND INTERESTS  
THAT ARE NOT IMPAIRED UNDER THIS PLAN**

(a) Class 1 Administrative Claims. The full amount of all unsecured claims for administrative expenses allowed under Code Section 503(b) shall be paid in cash or its commercial equivalent by the Debtor on the Effective Date, or within twenty (20) days following the entry of an Order approving same, whichever is later, and except to the extent that the holders of such administrative claims agree to a less favorable treatment of said claims.



(b) Class 3 Secured Claim of ANICO. Class 3 consists of the Secured Claim of ANICO. ANICO shall retain its Lien in the ANICO Collateral after the Effective Date unless paid in full. On or before the Effective Date, (a) the Reorganized Debtor shall pay to ANICO an amount of cash equal to the Allowed Amount of any Cure Claim timely filed by ANICO or as otherwise agreed by the Reorganized Debtor, (b) the ANICO Note shall be deemed to be de-accelerated and reinstated to the original terms and maturity that existed prior to any default thereunder, and (c) the reorganized Debtor shall take such other actions as may be required under Section 1124(2) of the Bankruptcy Code to ensure that Class 3 is Unimpaired by the Plan. ANICO is Unimpaired by the Plan and is not entitled to vote to accept or reject the Plan. More specifically, Debtor intends to pay ANICO all principal due and owing, any accrued but unpaid interest at the non-default rate of 6.75%, a 3% prepayment fee (all as set forth in the loan documents between Debtor and ANICO) together with attorney's fees in the approximate amount of \$100,000.00; payment of same to come from funds received by Debtor through the refinance with UBS.

(c) Class 10. Class 10 tenants hold, at most, contingent claims. None has a claim as of the date of this Plan.

## **Article V: TREATMENT OF IMPAIRED CLAIMS AND INTERESTS**

### **A. General**

All other classes (other than Class 1, Class 3 and Class 10) of claims and classes of interest are impaired under the Plan. All impaired classes of claims and classes of interest shall receive the distributions set forth in this Article on account of and in

complete satisfaction of all such Allowed Claims (and any interest accrued thereon) and Allowed Interests. Without limiting the foregoing and effective upon the Effective Date, each creditor and each equity security holder (or its successor) shall be deemed to have assigned to the Debtor, and all such parties shall be deemed to have waived, relinquished and released, any and all of their rights and claims against the Debtor other than as provided for in the Plan or the Court's Order confirming the Plan.

**B. Carter Bank & Trust**

Class 2 creditor, Carter Bank & Trust, shall be paid interest in accordance with its loan documents and out of the proceeds from any sales of Debtor's Georgia and Alabama real estate holding.

**C. Dekalb County Tax Commissioner**

Class 4, Dekalb County Tax Commissioner, shall be paid in full within twelve (12) months of the Effective Date after the sale of Debtor's Decatur shopping center, or any part thereof, sufficient to pay the Class 4 claim in full or from net proceeds on a recovery in the pending litigation brought by Debtor against Supervalu and Delhaize the Lion America, Inc.

**D. Kanawha County Tax Commissioner**

Class 5, Kanawha County Tax Commissioner, shall be paid its claim in full within twelve (12) months of the Effective Date from the operations of Debtor's West Virginia shopping center ("The Crossings") or from the proposed refinance of the same property with UBS.

**E. Dothan (Alabama) Tax Commissioner**

Class 6, Dothan Tax Commissioner, will be paid in full within twelve (12) months of the Effective Date from any operations of Debtor in Alabama and sales of Debtor's Alabama real estate.

**F. Dekalb County Water and Sanitation Department**

Class 7, Dekalb County Water and Sanitation Departments, shall be paid in full from Debtor's operations and, if necessary, any recovery from the pending litigation referred to above within twelve (12) months of the Effective Date.

**G. General Unsecured Claims of \$5,000.00 or more**

Class 8, General Unsecured Claims, shall be paid in full within twelve (12) months of the Effective Date. Class 8 creditor, Brent Scarbrough & Company, will receive a note from Debtor guaranteed by William Abruzzino and by agreement Carter Bank & Trust may allow payment to Scarbrough & Company, from sale of properties in which it holds a first priority security interest. The same may be applicable to Class 8 creditor, Northstar Engineering.

**H. General Unsecured Claims of less than \$5,000.00**

Class 9 administrative convenience creditors shall be paid in full within sixty (60) days of the Effective Date from funds on hand.

**I. Class 11. Equity Interests**

To the extent Mr./Mrs. William Abruzzino hold claims against the Debtor of any kind (compensation, loans for stockholder, contribution claims), Class 11's Equity Holder shall not be paid anything but shall retain their interest in Debtor.

**J. Cramdown**

In the event any of the above classes reject the Plan, it is anticipated that the Debtor will seek to obtain confirmation of the Plan notwithstanding the rejection pursuant to 11 U.S.C. § 1129(b).

**K. Causes of Action**

The Plan specifically provides, pursuant to Section 1123(b)(3)(B) of the Code, that the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor or Debtor-in-Possession had or has power to assert immediately prior to the confirmation of the Plan, including, without limitation, actions for the avoidance and recovery pursuant to Section 550 of the Code of transfers avoidable by reason of Sections 544, 545, 547, 548, 549 or 553(b) of the Code, and may commence or continue in any appropriate court or tribunal any suit or other proceeding for the enforcement of same.

**L. General Provisions**

All executory contracts and unexpired leases, including personal property leases, not previously rejected in the Plan or with approval of the Court before the Effective Date of the Plan, are assumed.

The Plan also provides that it may be modified under circumstances more particularly set forth in Article XII of the Plan. The Plan also provides for the continuing jurisdiction of the Court for certain purposes more particularly set forth in Article XI of the Plan.

**IV. CONFIRMATION REQUIREMENTS AND EFFECT OF CONFIRMATION**

**A. Confirmation Summary**

To confirm the Plan, the Court must, after notice, hold a hearing on the question of confirmation. A party in interest may object to confirmation of the Plan and appear at the confirmation hearing to prosecute such objection. The requirements for confirmation of a Chapter 11 Plan are set forth in detail in 11 U.S.C. § 1129. What follows is a summary statement of some of those requirements. The requirements of § 1129 (a) or (b) of the Code include that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and must be feasible. In general, a class of claims has accepted a plan if the plan has been accepted by creditors that hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims of such class held by creditors that have accepted or rejected such plan. A class of interests has accepted a plan if the plan has been accepted by holders of such interests that have accepted or rejected such plan. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

**B. Confirmation Possible Where Class Does Not Accept**

The Court will be asked to confirm as to any class of claims or interests that does not accept the Plan. To do so, the Court must find that the Plan: (1) is fair and equitable with respect to each class of claims or interests that is impaired and has not accepted the Plan; and (2) that each holder of a claim or interest receives or retains under the Plan, on

account of such claim or interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that would be received or retained if the Debtor's property were liquidated under Chapter 7 of Title 11 of the Code. Debtor believes the first requirement is satisfied with respect to any class that might not accept the Plan. If a Class of Secured Claims does not accept the Plan, the Code provides that the fair and equitable requirement is satisfied if the class retains its lien and receives deferred cash payments of a present value equal to the value of the claimant's secured interest in the collateral. Debtor believes this requirement is satisfied as to each Class of Allowed Secured Claims, because the Plan provides for them to receive the value of their interest in their collateral together with interest at a current market rate for loans of equivalent risk.

THE FOREGOING IS A SUMMARY OF THE PLAN AND CREDITORS ARE URGED TO READ THE PLAN IN FULL. CREDITORS SHOULD CONSULT WITH COUNSEL IN ORDER FULLY TO UNDERSTAND THE PLAN, WHICH IS A PROPOSED LEGALLY BINDING AGREEMENT BY THE DEBTOR.

**V. FEDERAL INCOME TAX CONSEQUENCES**

The Debtor has not obtained a tax opinion and expresses no opinion as to the tax consequences to the holder of any claim or interest caused by the terms of the Plan of Reorganization. Creditors are advised and encouraged to obtain their own tax counsel to determine the tax consequences of this Plan. In obtaining that advice, certain matters require particular attention due to their uncertainty and potentially significant tax consequences. For example, significant issues may arise as to the amount of any debts that will be deemed discharged by the Plan and therefore generate discharge of indebtedness income.

NO RULING HAS BEEN SOUGHT OR OBTAINED FROM THE IRS WITH

RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN OBTAINED BY THE DEBTOR WITH RESPECT THERETO. NO REPRESENTATION OR ASSURANCE IS BEING MADE WITH RESPECT TO THE FEDERAL INCOME TAX CONSEQUENCES AS DESCRIBED HEREIN. CERTAIN TYPES OF CLAIMANTS AND INTEREST HOLDERS MAY BE SUBJECT TO SPECIAL RULES NOT ADDRESSED IN THIS PARAGRAPH. THERE MAY ALSO BE STATE, LOCAL, OR FOREIGN TAX CONSIDERATIONS APPLICABLE TO EACH HOLDER OF A CLAIM OR EQUITY INTEREST WHICH ARE NOT ADDRESSED HEREIN. EACH HOLDER OF A CLAIM OR EQUITY INTEREST AFFECTED BY THE PLAN MUST CONSULT AND RELY UPON SUCH HOLDER'S OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO SUCH HOLDER'S CLAIM OR EQUITY INTEREST. THIS INFORMATION MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH THE OFFERING FOR SALE OF SECURITIES.

#### **VI. LIQUIDATION ALTERNATIVE**

The Debtor estimates that unsecured creditors would receive nothing in the event of liquidation. Consequently, the Debtor believes the Plan is in the best interest of all creditors and parties in interest.

#### **VII. VOTING ON THE PLAN**

In order for the Plan to be accepted by a class, 11 U.S.C. § 1126(c) provides that creditors in that class holding at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the allotted claims actually voting, must vote to accept the Plan. All

classes are impaired under the Plan and are asked to vote on the Plan. Only those creditors who have timely filed proofs of claim with the Bankruptcy Court and whose claims have not been disallowed as of the date of the confirmation hearing on the Plan, or whose claims were scheduled by the Debtors as not disputed, contingent or unliquidated, have the right to vote for the acceptance or rejection of the Plan, and only their votes will be counted. The Debtor believes that the proposed Plan is in the best interest of all the creditors.

If the Plan is not confirmed, it is unlikely that the Debtor will be able to reorganize. In the event the Debtor is unable to reorganize, it is likely that secured lenders will foreclose on real estate assets and, with the result that the estate will have no assets with which to pay its other creditors, including Class 4, 5, and 6 tax creditors, Class 7 Utility creditors and Classes 8 and 9 unsecured creditors and any deficiency claimant.

**VIII. LEGALLY BINDING EFFECT;  
DISCHARGE OF CLAIMS AND INTERESTS**

Upon confirmation of the Plan, its provisions will bind the Debtor and all creditors and interest holders, whether or not they accept the Plan. Confirmation will also discharge the Debtor from all debts that arose before confirmation, except as provided in the Plan and in the Order of Confirmation.

The distributions and rights that are provided in this Plan shall be in complete satisfaction, discharge and release of all Claims, whether known or unknown, against liabilities of, liens on, obligations of, rights against, and interests in Debtor or its Estate that arose prior to the Effective Date.



The Debtor may modify the Plan at any time before the confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan. Further, with the approval of the Court and without notice, the Debtor may modify the Plan to correct defects, omissions, or inconsistencies which do not materially and adversely affect the interest of holders of claims. Further, after confirmation, but before the case is closed, Debtor may modify the Plan upon approval of the Court after notice to creditors.

Upon request of the Debtor, the U.S. Trustee, or holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.

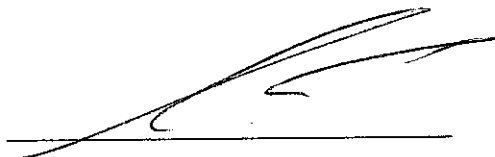
The distribution of cash and other consideration provided for in the Plan will be in exchange for and in complete satisfaction, discharge and release of all claims against Debtors or any of its assets or properties.

Dated this 22<sup>nd</sup> day of July, 2013.

(SIGNATURES ON NEXT PAGE)

**Prepared by:**

Interstate Properties, LLC



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By:   
William Abruzzino  
Managing Member

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

IN RE: \* CASE NO. 12-76037-MHM  
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INTERSTATE PROPERTIES LLC, \* CHAPTER 11  
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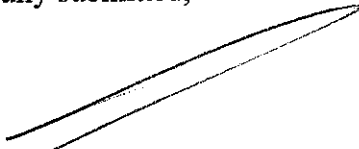
**CERTIFICATE OF SERVICE**

This will certify that I have this day served a copy of the DEBTOR'S DISCLOSURE STATEMENT upon the foregoing person, by depositing a true and correct copy in the United States mail properly addressed with postage prepaid to the following:

United States Trustee's Office  
362 Richard B. Russell Bldg.  
75 Spring Street, S.W.  
Atlanta, Georgia 30303

This 22<sup>nd</sup> day of July, 2013.

Respectfully submitted,

  
\_\_\_\_\_  
George M. Geeslin  
Georgia Bar No. 288725

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