

UNITED STATES BANKRUPTCY COURT
DISTRICT OF KANSAS
KANSAS CITY DIVISION

In Re: § Chapter 11
Premier Investment Company II, LLC § Case No. 17-21794
Debtor. §
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PROPOSED
DISCLOSURE STATEMENT IN SUPPORT OF
DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION

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Dated: December 13, 2017

Attorneys for Debtor and Debtor in Possession

Premier Investment Company II., LLC (the “Debtor”) hereby submits this Disclosure Statement (the “Disclosure Statement”) in support of the *Debtor’s Plan of Reorganization*, a copy of which is filed contemporaneously herewith.

INTRODUCTORY DISCLOSURES

This Disclosure Statement (the “*Disclosure Statement*”) in support of the Debtor’s Plan of reorganization, filed by the Debtor (defined below), summarizes certain provisions of the Debtor’s Plan of reorganization (the “*Plan*”), including provisions relating to the Plan’s treatment of claims against the Debtor. The Disclosure Statement also summarizes certain financial information concerning the Debtor and the claims asserted against the Debtor in the bankruptcy case. While the Debtor believes that the Disclosure Statement contains adequate information with respect to the information summarized, creditors should review the entire Plan and each of the documents referenced herein, and should seek the advice of their own counsel before casting their ballots.

Except for the information set forth in this Disclosure Statement and its exhibits, no representations concerning the Debtor, the Debtor’s assets and liabilities, the past or future operation of the Debtor, the Plan, or alternatives to the Plan are authorized, nor are any such representations to be relied upon in arriving at a decision with respect to the Plan. Any representations made to secure acceptance or rejection of the Plan, other than as contained in this Disclosure Statement and its exhibits, are unauthorized and should be reported to the Debtor.

The approval of the Disclosure Statement by the Bankruptcy Court does not constitute an endorsement by the bankruptcy court of the Plan or a guarantee of the accuracy and completeness of the information contained in this Disclosure Statement. Nothing contained in this Disclosure Statement, express or implied, is intended to give rise to any commitment or obligation of the Debtor or any other party, nor shall it be construed as conferring upon any person any rights, benefits or remedies of any nature whatsoever. The Disclosure Statement is informational only. Additionally, creditors should not construe the contents of this Disclosure Statement as providing any legal, business, financial or tax advice. Each Creditor should consult with its own legal, business, financial and tax advisors as to any matter concerning the Plan, including the treatment of claims under the Plan, the releases provided by and proposed under the Plan, the transactions and injunctions provided under the Plan, and the voting procedures and elections applicable to the Plan.

DEFINITIONS

Unless otherwise defined herein, capitalized terms used in this Disclosure Statement shall have the meaning ascribed to them in the Plan.

ARTICLE I **INTRODUCTION**

On September 17, 2017, the Debtor filed its petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Kansas,

Kansas City Division, thereby initiating its bankruptcy case. On _____, 2017, the Debtor filed the Plan with the Bankruptcy Court. The Plan proposes, among other things, the means by which all Claims against the Debtor will be finally resolved and treated for distribution purposes, consistent with the provisions and priorities mandated by the Bankruptcy Code. The Plan is essentially a new contract between the Debtor and its Creditors, proposed by the Debtor to Creditors for approval. Creditors approve or disapprove of the Plan by voting their Ballots on the Plan, if they are in a Class entitled to vote, and, if appropriate, by objecting to confirmation of the Plan. However, the Plan can be confirmed by the Bankruptcy Court even if less than all Creditors or Classes accept the Plan and, in such an instance, the Plan will still be binding on those Creditors or Classes that rejected the Plan. Approval and consummation of the Plan will enable the Bankruptcy Case to be finally concluded.

The Debtor hereby submits this Disclosure Statement in connection with the solicitation of votes on, and providing information regarding, the Plan. On _____, 2018, after notice and a hearing, the Bankruptcy Court approved the Disclosure Statement as containing information of a kind and in sufficient detail, to enable Creditors whose votes on the Plan are being solicited to make an informed judgment on whether to accept or reject the Plan. The Bankruptcy Court's approval of the Disclosure Statement does not constitute the Court's approval or disapproval of the Plan.

This Disclosure Statement and the Plan are being mailed to each holder of a Claim (or potential Claim) against the Debtor that has not been disallowed, together with various other parties-in-interest who, even if not Creditors, may be affected by the Plan and may have the right to object to the Plan. However, the Debtor is only seeking votes on the Plan from Classes who are entitled to vote. Only those parties who have received a Ballot may vote to accept or reject the Plan. All Creditors and parties-in-interest may object to the confirmation of the Plan even if they do not necessarily vote on the Plan.

With respect to voting on the Plan, pursuant to the Bankruptcy Code, only those Creditors and equity Interest holders within impaired Classes under the Plan are entitled to vote. The purpose of this Disclosure Statement is to enable the same to make an informed decision in exercising their right to vote to accept or reject the Plan.

The Debtor has promulgated the Plan consistent with the provisions of the Bankruptcy Code. The Debtor believes that the Plan provides the best means for maximizing recovery to each of the Classes under the Plan, in the most expedient manner, and in light of the assets available for distribution to Creditors. The Debtor believes that the Plan enables affected Creditors and equity Interest holders to receive a distribution on account of their Claims and equity Interests that is substantially greater than what they would receive if the Bankruptcy Case was converted to a Chapter 7 liquidation and assets of the Debtor were liquidated within the parameters of Chapter 7 of the Bankruptcy Code.

This Disclosure Statement is not intended to replace careful review and analysis of the Plan. Rather, it is submitted as an aid and supplement in your review of the Plan, and attempts to explain the terms and implications of the Plan. Every effort has been made to fully explain the various aspects of the Plan. All Persons receiving this Disclosure Statement are urged to review

all of the provisions of the Plan and this Disclosure Statement. If you have any questions, you may contact the Debtor's counsel and every effort will be made to assist you. However, the Debtor's counsel will not provide you with any legal advice, and you are encouraged to seek the advice of separate legal counsel regarding the Plan, and your rights thereunder.

Creditors should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes on the Plan may be made except pursuant to this Disclosure Statement and Bankruptcy Code § 1125. No other party has been authorized to utilize any information concerning the Debtor, its operations, and its assets and liabilities, other than the information contained in this Disclosure Statement, to solicit votes on the Plan. However, you are entitled to rely on your own information, analyses, and opinions even if that information is not contained in this Disclosure Statement.

After carefully reviewing this Disclosure Statement and the Plan, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot (if you have been provided with one) and return the same to the address set forth on the Ballot, in the enclosed return envelope, so that it will be received by the Balloting Agent no later than 5:00 p.m., Central Standard Time, on _____, 2018.

If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim, you may be bound by the Plan if it is accepted by the requisite holders of Claims. See **Article IV** of this Disclosure Statement for a discussion of voting procedures and requirements.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., CENTRAL TIME, ON _____, 2018. For detailed voting instructions and the name, address, and phone number of the person you may contact if you have questions, see **Article IV** of this Disclosure Statement.

Pursuant to Bankruptcy Code § 1128, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan on _____, 2018, at ____:____, __.m. Central Standard Time, in the United States Bankruptcy Court for the District of Kansas, Kansas City Division. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before _____, 2018, in the manner described in **Article IV.B** of this Disclosure Statement.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

ARTICLE II **OVERVIEW OF THE PLAN**

Parties are cautioned to read the Plan carefully in order to fully understand its terms. This section offers a summary of the Plan only, given in lay and non-technical terms, and is not to be construed as conclusive.

A. Classes and Distributions.

The Plan separates Claims and equity Interests against the Debtor, the Estate, and their property into unclassified Claims and classified Claims. Unclassified Claims are generally postpetition Claims which must be paid in full and which do not vote on the Plan, and consist of Administrative Claims, including Professional Claims and Cure Claims, and Administrative Tax Claims. Classified Claims and equity Interests are classified in the Plan under the provisions of Bankruptcy Code § 1122 into following six (6) separate Classes:

- Class 1: Secured Tax Claims
- Class 2: Priority Non-Tax Claims
- Class 3: First Lien Lender's Secured Claim
- Class 4: Second Lien Lender's Secured Claim
- Class 5: General Unsecured Claims
- Class 6: Allowed Interests

B. Plan Funding

The Plan will be funded with the Proceeds from the sale of the Property or such portion of it as is sufficient to satisfy all Allowed Claims as required under the Plan.

C. Class Treatment Under the Plan

Treatment of a Claim under the Plan depends on the Class under the Plan that the Claim is classified under. What follows below is a summary of the treatments under the Plan of the various Classes created under the Plan. The following is a summary only, and the Plan controls in all events. Thus, close reference to the Plan is required to fully understand any Class's treatment under the Plan.

- (1) Class 1: Secured Tax Claims

Classification. Class 1 consists of all Allowed Secured Tax Claims against the Debtor.

Treatment. Each Holder of an Allowed Secured Tax Claim shall receive the following in full satisfaction, release and discharge of and in exchange for such Allowed Secured Tax Claim:

Payment. Each Allowed Secured Tax Claim shall be paid from the Proceeds from the sale of the Property. The principal amount of each Secured Tax Claim shall be equal to the Allowed amount of such claim whether determined by the Court or upon agreement between the Debtor and the Holder of such Secured Tax Claim. Secured Tax Claims shall accrue interest from the Petition Date through the Effective Date of the Plan and from the Effective Date through payment in full at the applicable non-bankruptcy state statutory rate pursuant to Bankruptcy Code §§ 506(b), 511, and 1129 or such other interest rate as may be agreed by the holder of the Secured Tax Claim and the Debtor. The Secured Tax Claims shall not include penalties assessed after the Petition Date.

Preservation of Liens. Each holder of an Allowed Secured Tax Claim shall retain its liens in any property of the Debtor and its Estate, which liens shall continue to apply and attach to the property for the Reorganized Debtor, all with the same validity, extent, and priority that otherwise existed on the Petition Date, pending the payment of the Allowed Secured Tax Claim in full. Each such lien securing an Allowed Secured Tax Claim shall be automatically released and discharged upon payment in full of such Allowed Secured Tax Claim without need for further order, document, or action.

Voting. Class 1 Claims are Impaired. Each Holder of an Allowed Class 1 Claim shall be entitled to vote to accept or reject the Plan.

(2) Class 2: Priority Non-Tax Claims

Classification: Class 2 consists of all Allowed Priority Non-Tax Claims against the Debtor.

Treatment. Each Holder of an Allowed Priority Non-Tax Claim shall receive the following in full satisfaction, release and discharge of and in exchange for such Allowed Priority Non-Tax Claim payment of the Allowed amount of such Claim, without interest, from the Proceeds from the sale of the Property.

Voting. Class 2 Claims are Impaired. Each Holder of an Allowed Claim in Class 2 shall be entitled to vote to accept or reject the Plan.

(3) Class 3: First Lien Lender's Secured Claim

Classification. Class 3 consists of the Allowed Secured Claim of the First Lien Lender.

Treatment: To the extent Proceeds remain after payment in full of the Allowed Class 1 and Class 2 Claims, if any, the First Lien Lender's Allowed Secured Claim shall be paid in full from the Proceeds from the sale of the Property or any part of it.

Retention of Liens. The First Lien Lenders shall retain their liens in, to, or against any property of the Debtor and its Estate, which liens shall continue to apply and attach to the property for the Reorganized Debtor, all with the same validity, extent, and priority that otherwise existed on the Petition Date, pending the payment of the Allowed Secured Tax Claim in full. Each such lien securing the First Lien Lenders' Allowed Secured Claim shall be automatically released and discharged upon payment in full of such Allowed Secured Claim without need for further order, document, or action.

Voting. The Class 3 Claim is Impaired. The Holder of the Class 3 Claim shall be entitled to vote to accept or reject the Plan.

(4) Class 4: Second Lien Lender's Secured Claim

Classification. Class 4 consists of the Allowed Secured Claim of the Second Lien Lender.

Treatment. To the extent Proceeds remain after payment in full of the Allowed Class 3 Claim, the Second Lien Lender's Allowed Secured Claim shall be paid in full from the Proceeds from the sale of the Property or any part of it.

Retention of Liens. The Second Lien Lender shall retain its liens in, to, or against any property of the Debtor and its Estate, which liens shall continue to apply and attach to the property for the Reorganized Debtor, all with the same validity, extent, and priority that otherwise existed on the Petition Date, pending the payment of the Allowed Secured Tax Claim in full. Each such lien securing the Second Lien Lender's Allowed Secured Claim shall be automatically released and discharged upon payment in full of such Allowed Secured Claim without need for further order, document, or action.

Voting. The Class 4 Claim is Impaired. The Holder of the Class 4 Claim shall be entitled to vote to accept or reject the Plan.

(5) Class 5: General Unsecured Claims

Classification. Class 5 consists of all Allowed General Unsecured Claims.

Treatment. To the extent Proceeds remain after payment in full of the Allowed Class 4 Claim, each Allowed General Unsecured Claim shall be paid in full from the proceeds from the sale of the Property with interest accruing at the Federal Judgment Rate from the Petition Date to the date of such repayment.

Voting. Class 5 Claims are Impaired. Each Holder of an Allowed Class 5 Claim shall be entitled to vote to accept or reject the Plan.

(6) Class 6: Interests

Classification. Class 6 consists of all Allowed Interests.

Treatment. To the extent proceeds remain after payment in full of all Allowed Class 5 claims, all all such remaining proceeds shall be distributed to the holders of such Interests.

Voting. Class 6 Interests are Impaired. Each Holder of an Allowed Class 6 Interest shall be entitled to vote to accept or reject the Plan.

D. Postconfirmation Management of the Reorganized Debtor

Upon the occurrence of the Effective Date, the management, control and operation of the Reorganized Debtor shall be the responsibility of David Hoff. From and after the Effective Date, the management of the Reorganized Debtor shall be selected and determined in accordance with the provisions of the respective constituent documents and applicable law. Entry of the Confirmation Order shall ratify and approve all actions taken by the Debtor and Reorganized Debtor from the Petition Date through and until the Effective Date.

ARTICLE III
VOTING PROCEDURES AND REQUIREMENTS

A. Voting on the Plan

Under the Bankruptcy Code, only those Classes that are impaired are entitled to vote on the Plan. The Plan treats all Classes as impaired. Thus, the Debtor believes that all Classes are entitled to vote on the Plan. The Debtor will solicit votes from all classes of Claims.

To ensure that a Ballot is deemed timely and considered by the Balloting Agent, which shall be the Debtor's attorneys, Bryan Cave LLP., a Creditor must: (a) carefully review the Ballot and the instructions set forth thereon; (b) provide all of the information requested on the Ballot; (c) sign the Ballot; and (d) return the completed and signed Ballot to the Balloting Agent by the Voting Deadline. By order of the Bankruptcy Court, the "Voting Deadline" is 5:00 p.m. (Central Standard Time), on _____, 2018. Therefore, in order for a Ballot to be counted for voting purposes and any applicable election, the completed and signed Ballot must be received at the address specified below by no later than the Voting Deadline:

Must Be **Received** By 5:00 p.m., Central Time,
on _____, 2018

Addressed To:

Bryan Cave LLP
Attn: Michael P. Cooley
2200 Ross Ave., Suite 3300
Dallas, Texas 75201
Facsimile: (214) 220-6754

B. Definition of Impairment

Pursuant to Bankruptcy Code § 1124, a Class of Claims or Interests is impaired under a Plan unless, with respect to each Claim of such Class, the Plan does one of the following:

1. leaves unaltered the legal, equitable, and contractual rights to which such Claim entitles the holder of such Claim; or
2. notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default:
 - (a) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in Bankruptcy Code § 365(b)(2);
 - (b) reinstates the maturity of such Claim as it existed before the default;

(c) compensates the holder of such Claim for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and

(d) does not otherwise alter the legal, equitable, or contractual rights to which such claim entitles the holder of such Claim.

C. Vote Required for Class Acceptance

A Class of Claims or equity Interests which is unimpaired is deemed to have accepted the Plan without the necessity of voting on the Plan.

Pursuant to the Bankruptcy Code, a Class of Claims under the Plan that is impaired shall be deemed to have accepted the Plan if the Plan is accepted by Creditors holding at least two thirds (2/3) in amount and more than one-half (1/2) in number of the Claims within such Class who are entitled to vote and who actually vote using a properly completed and signed Ballot which is returned to the Balloting Agent by no later than the Voting Deadline.

Pursuant to the Bankruptcy Code, a Class of Interests under the Plan that is impaired shall be deemed to have accepted the Plan if the Plan has been accepted by holders of such interests that hold at least two-thirds in amount of the allowed interests of such class held by holders of such interests.

Under the Bankruptcy Code, the votes of certain Creditors or Interest holders may be disregarded if their acceptance or rejection of the Plan was not in good faith, or was not solicited or procured in good faith or in accordance with the Bankruptcy Code. The Debtor reserves all its rights to seek one or more of such designations in the event that the same becomes applicable.

ARTICLE IV CONFIRMATION OF THE PLAN

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, a Debtor-in-possession attempts to reorganize its business for the benefit of the Debtor, its creditors, and other parties in interest. The present Bankruptcy Case commenced with the filing of voluntary Chapter 11 petition by the Debtor on the Petition Date.

The commencement of a Chapter 11 case creates an estate comprising all the legal and equitable interests of the Debtor in property as of the date the petition is filed. Thus, the Estate exist as the Bankruptcy Code estate of the Debtor and its property (and liabilities). Bankruptcy Code §§ 1101, 1107, and 1108 provide that a Debtor may continue to operate its business and remain in possession of its property as a “Debtor-in-possession” unless the bankruptcy court orders the appointment of a trustee. In the present Bankruptcy Case, the Debtor has remained in possession of its property and has continued to operate its business as a Debtor-in-possession.

The filing of a Chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Bankruptcy Code § 362 provides, *inter alia*, for an automatic stay of all attempts to collect prepetition claims from the Debtor or otherwise interfere with its property or business. Except as otherwise ordered by the Bankruptcy Court, the automatic stay remains in full force and effect until the Effective Date of a confirmed Plan of reorganization.

B. Confirmation Hearing

Bankruptcy Code § 1128(a) requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) provides that any party in interest may object to confirmation of the Plan. The Confirmation Hearing has been scheduled for _____, 2018 at ____ m. in the United States Bankruptcy Court, Courtroom of The, Honorable Robert D. Berger, U. S. Courthouse, 161 U.S. Courthouse, 500 State Ave., Kansas City, KS. 66101.

Any objection to confirmation of the Plan must be made in writing, and such written objection must be filed with the Bankruptcy Court by no later than **5:00 p.m. Central Standard Time on _____, 2018:**

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED AND SERVED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND SHALL BE DEEMED WAIVED.

C. Modification of the Plan

Bankruptcy Code § 1127 generally permits the Debtor to modify the Plan before or after the Confirmation Hearing, assuming that certain requirements are satisfied. The Debtor reserves its right to submit modifications of the Plan, as may be deemed advisable by the Debtor, and under the provisions of Bankruptcy Code § 1127.

D. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements of Bankruptcy Code § 1129 have been satisfied, and in the event that they have been and all other conditions to confirmation set forth in the Plan itself have been met, the Bankruptcy Court will enter an order confirming the Plan. The requirements of Bankruptcy Code § 1129 generally are as follows:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The Debtor complies with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or to be made by the Debtor or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with

the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

5. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint Plan, or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the Debtor, and the nature of any compensation of such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtor has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval. The Debtor does not believe this requirement is applicable to the Bankruptcy Case.

7. With respect to each impaired Class: (a) each holder in such Class has accepted the Plan or will receive or retain 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 such holder would so receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on such date; or (b) if Bankruptcy Code § 1111(b)(2) applies to the Claims or Interests of such Class, each holder in such Class will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the Estate's interests in the property that secures such Claims.

8. With respect to each Class: (a) such Class has accepted the Plan; or (b) such Class is not impaired under the Plan.

9. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides: (a) that with respect to a Claim of a kind specified in Bankruptcy Code § 507(a)(1) or 507(a)(2), on the Effective Date of the Plan, the holder of such Claim will receive on account of such Claim cash equal to the Allowed amount of such Claim; (b) that with respect to a Class of Claims of a kind specified in Bankruptcy Code §§ 507(a)(3), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7), each holder of a Claim of such Class will receive (i) if such Class has accepted the Plan, deferred cash payment of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim, or (ii) if such Class has not accepted the Plan, cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and (c) with respect to a Claim of a kind specified in Bankruptcy Code § 507(a)(8), the holder of such Claim will receive on account of such Claim deferred cash payments, over a period not exceeding six years after the date of assessment of such Claim, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.

10. If a Class of Claims is impaired under the Plan, at least one Class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.

11. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

12. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

13. The Plan provides for the continuation after its Effective Date of payment of all retiree benefits, as that term is defined in Bankruptcy Code § 1114, at the level established pursuant to subsection (e)(1)(B) or (g) of § 1114, at any time prior to confirmation of the Plan, for the duration of the period the Debtor has obligated itself to provide such benefits. The Debtor does not believe this requirement is applicable to the Bankruptcy Case.

There are various other provisions governing the confirmation of the Plan which, on their face, the Debtor does not believe applicable (and are related instead to the confirmation of an individual person's Chapter 11 Plan).

E. Cramdown

The Bankruptcy Court may confirm the Plan at the request of the Debtor if: (a) all of the requirements of Bankruptcy Code § 1129(a) are met, with the exception of § 1129(a)(8); (b) at least one Class of Claims that is impaired under the Plan has accepted the Plan (excluding the votes of Insiders), if a Class of Claims is impaired; and (c) as to each impaired Class that has not accepted the Plan, the Plan does not “discriminate unfairly” and is “fair and equitable.”

A Chapter 11 Plan does not “discriminate unfairly” within the meaning of the Bankruptcy Code if the classification of claims under a Plan complies with the Bankruptcy Code and no particular class will receive more than it is legally entitled to receive for its claims. The Debtor believes that the classifications established under the Plan are proper and that no Class under the Plan is receiving more than it is legally entitled to receive. “Fair and equitable,” on the other hand, has different meanings for Secured and Unsecured Claims.

With respect to a Class of Secured Claims which rejects the Plan, to be “fair and equitable” the Plan must, among other things, either: (a) provide that the holders of such Secured Claims retain their liens securing such Claims, whether the property subject to such liens is retained by the Debtor or transferred to another entity, to the extent of the Allowed amount of such Claims, and that each holder of a Secured Claim in such Class receive on account of such Claim deferred cash payments totaling at least the Allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estate's interest in such property; or (b) provide for the sale, subject to Bankruptcy Code § 363(k), of any property that is subject to the liens securing such Secured Claims, free and clear of such liens, with such liens to attaching to the proceeds of such sale, and the treatment of such liens on such proceeds in accordance with the Bankruptcy Code; or (c) provide for the realization by the holders of such Secured Claims of the indubitable equivalent of such Claims. The Debtor

believes that the Plan is fair and equitable to each Class of Secured Claims under the Plan and that, in fact.

With respect to a Class of Unsecured Claims which rejects the Plan, to be “fair and equitable” the Plan must, among other things, either: (a) provide that each holder of an Unsecured Claim in such Class receive or retain 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 (b) not allow the holder of any Claim that is junior to the Unsecured Claims of such Class to receive or retain any property under the Plan on account of such junior Claim; *i.e.* not permit any holder of any equity interest in the Debtor to retain anything under the Plan on account of such interest. In the event that at least one Class of Claims is impaired under the Plan, and if at least one impaired Class of Claims under the Plan accepts the Plan and one or more Classes of impaired Claims rejects the Plan, the Debtor will seek confirmation of the Plan under the cramdown provisions of Bankruptcy Code § 1129(b). In such event, the Bankruptcy Court will determine, at the Confirmation Hearing, whether the Plan is fair and equitable and whether it does or does not discriminate unfairly against any rejecting impaired Class of Claims.

For a Class of equity Interests that is impaired and rejects the Plan, the Plan is fair and equitable if, at a minimum, the Plan provides that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the Plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or the holder of any interest that is junior to the interests of such class will not receive or retain under the Plan on account of such junior interest any property.

F. Effective Date of the Plan

The Plan will become effective upon the occurrence of the Effective Date, which is defined in the Plan as the first Business Day fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) days after the Confirmation Date, and upon which the conditions to the effectiveness of the Plan set forth in the Plan are satisfied Pursuant to the provisions of the Plan, the Debtor will transmit notice of the effectiveness of the Plan if the Bankruptcy Court confirms the Plan and all conditions precedent to the Plan’s effectiveness are satisfied. Said notice will additionally specify various other Plan deadlines that are triggered by the Effective Date of the Plan.

ARTICLE V **BACKGROUND INFORMATION**

The Debtor was formed in 2015 to acquire ownership of four parcels of ready-to-build commercial land totaling approximately 25.7 acres and located near the corner of 37th Street and

North Rock Road in Wichita, Kansas (the “*Property*”). The location of each of the four parcels is shown on the Exhibit A to this Disclosure Statement.¹

The Property is encumbered by liens in favor of two secured creditors. The first promissory note (the “*First Note*”) was executed by the Debtor as of April 3, 2015, in favor of (i) Colby B. Sandlian, as trustee of the Colby B. Sandlian and Genevieve B. Sandlian Revocable Trust, and Ojenroc Properties, LLC (together, the “*First Lien Lenders*”), in the original principal amount of \$1,100,000.00 The second promissory note (the “*Second Note*” and, together with the First Note, the “*Notes*”) was executed by the Debtor as of August 26, 2016 in favor of DBB Holdings, LLC (the “*Second Lien Lender*”), in the original principal amount of \$250,000. The foregoing secured creditors are referred to herein as the “*Lenders.*”

On March 31, 2016 the Second Lien Lender initiated suit against the Debtor and on April 7, 2017 the First Lien Lenders initiated suit, each to enforce collection of their respective Notes. The Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code On September 17, 2017 (the “*Petition Date*”) to prevent entry of a judgment on the Notes and subsequent foreclosure by the Lenders of their respective interests in the Property, which the Debtor believes would have resulted in the loss of substantial additional equity value in the Property over and above the outstanding balance due to the Lenders and all other holders of Allowed Claims.

The Debtor’s business and the Property are managed by David Hoff, the sole manager of the Debtor. Mr. Hoff will continue to manage the Reorganized Debtor and the Property following confirmation of the Plan.

ARTICLE VI.

LIQUIDATION ANALYSIS AND PLAN ALTERNATIVES

A. Liquidation Analysis

As a condition to confirmation of a Plan, Bankruptcy Code § 1129(a)(7) requires that each impaired Class of Claims or Interests must receive or retain under the Plan not less than the amount it would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. This is often referred to as the “best interests” test. The Debtor presents this liquidation analysis to demonstrate that the liquidation of the Debtor will result in substantially lower returns for some Classes.

The Debtor’s sole asset is the Property, comprising approximately 25.7 acres of ready-to-build commercial land in Wichita, Kansas. The Debtor believes that an accelerated liquidation under Chapter 7 would generate a lower sale price for the Property because a Chapter 7 trustee is unlikely to sell the Property for an amount in excess of the Allowed Claims of the First Lien Lenders and Second Lien Lenders and, possibly, the Allowed General Unsecured Claims.

¹ The parcel identified as “Parcel 5” on Exhibit A is owned by an affiliated entity and is not property of the Debtor.

Accordingly, while such a disposition might be sufficient to repay Allowed Secured Claims and, possibly, General Unsecured Claims in full, it would result in a substantial loss of equity value for Holders of Interests in the Property.

Therefore, the Debtor believes that confirmation of the Plan will provide a greater recovery to all stakeholders, including Holders of both Allowed Claims and Allowed Interests.

B. Alternatives to Formation of the Plan

If the Plan is not confirmed, it is likely that the automatic stay will be vacated and the First Lien Lenders and Second Lien Lender permitted to foreclose their liens in the Property. Unless some third party were to attend the foreclosure and bid a greater amount to purchase the Property, there would likely be no additional funds available for distribution to the Holders of other Allowed Claims and Interests.

If the Plan is not confirmed, it is theoretically possible that the Bankruptcy Court could confirm a different Plan; however, the nature of the Debtor's business and assets leaves few alternatives aside from that presented in the Plan. Accordingly, the Debtor believes that the Plan, as described herein enables Holders of both Claims and Interests to realize the highest and best value under the circumstances. The Debtor believes that any alternative form of chapter 11 Plan would be a much less attractive alternative to creditors than the Plan because of the far greater returns and certainty for all stakeholders provided under the Plan.

Alternatively, the Bankruptcy Court could convert the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code. In that event, it is likely that a Chapter 7 trustee would either abandon the Property to be foreclosed upon by the First Lien Lenders or Second Lien Lender or, alternatively, would quickly conduct an auction without the extensive marketing process contemplated under the Plan to ensure the highest possible purchase price is obtained for the Property. Under any of these potentials, it is less likely that all Creditors would be paid in full, and it is even more unlikely that Interest holders would receive anything.

ARTICLE VII **RISK FACTORS**

The following specific risks exist with respect to confirmation of the Plan:

(a) Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.

(b) Since the Debtor may be seeking to obtain approval of the Plan over the rejection of one or more impaired Classes, the cramdown process could delay confirmation.

(c) Even if the Bankruptcy Court confirms the Plan, any objecting party may appeal and may move for, and obtain, a stay pending appeal, which would delay the effectiveness of the Plan, potentially to the point where the Debtor will no longer have the desire to, or the ability to, consummate the Plan.

(d) The Debtor's projections regarding future revenue could be wrong or one or more the Debtor's tenants could abandon the Property, causing the Debtor to lose revenue.

Confirmation of the Plan and occurrence of the Effective Date are subject to certain conditions precedent that may not occur. The Debtor, however, will work diligently with all parties in interest to ensure that all conditions precedent are satisfied.

ARTICLE VIII
CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS. NOTHING IN THIS DISCLOSURE STATEMENT OR IN THE PLAN IS MEANT TO PROVIDE ANY TAX ADVICE TO ANY CREDITOR.

ARTICLE IX
CONCLUSION

The Debtor believes that the Plan represents the best approach to preserve and maximize the value of the Property for the benefit of all stakeholders through an active marketing and sale process.

The Debtor urges holders of all Claims and equity Interests to support the confirmation of the Plan including, if applicable, by voting to accept the Plan and to evidence such acceptance by returning their ballots so that they will be received on or before the Voting Deadline.

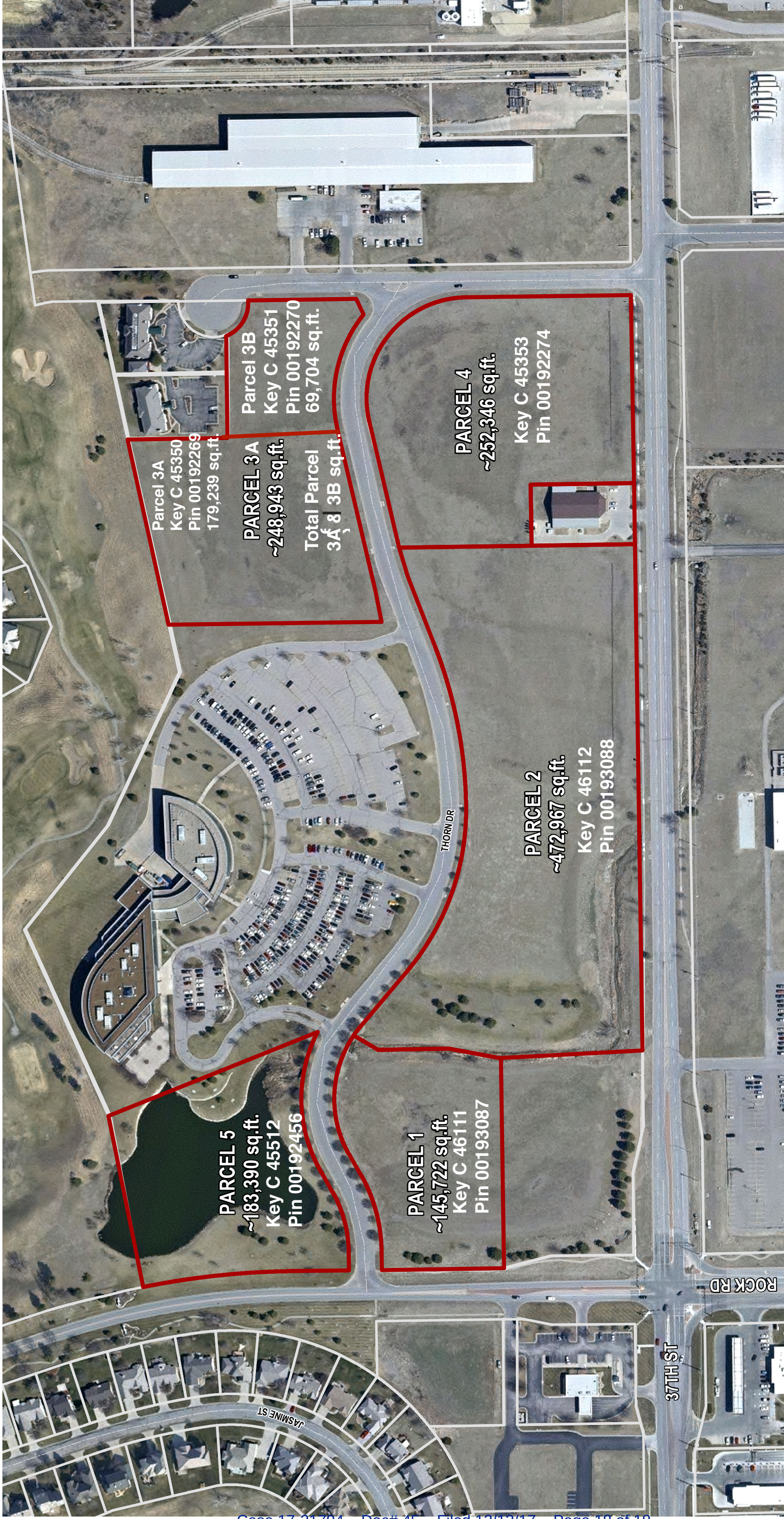
Dated: December 13, 2017

Respectfully Submitted,

Premier Investment Properties II, LLC

By: David Hoff
David Hoff

Exhibit A



PARCELS EXHIBIT

Premier Investment
Friday, August 30, 2013



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