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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
WESTERN DIVISION**

_____)	
In re)	
)	Chapter 11, No. 16-31081-MSH
BERTELLI REALTY GROUP, INC.)	
)	
Debtor)	
_____)	

DEBTOR'S AMENDED DISCLOSURE STATEMENT
FOR PLAN OF REORGANIZATION

May 24, 2017

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Longmeadow, MA 01106
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In re)
BERTELLI REALTY GROUP, INC.) Chapter 11, No. 16-31081-MSH
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**DEBTOR'S AMENDED DISCLOSURE STATEMENT UNDER SECTION 1125
OF THE BANKRUPTCY CODE FOR SOLICITATION
OF ACCEPTANCE TO PROPOSED PLAN OF REORGANIZATION**

I. INTRODUCTION

Bertelli Realty Group, Inc. ("Debtor"), a corporation whose principal asset is 935 - 979 Main Street, Springfield, Massachusetts (the "Main Street Property"), filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §101 *et seq.* as amended ("Bankruptcy Code"), in the United States Bankruptcy Court for the District of Massachusetts ("Bankruptcy Court") on December 22, 2016, commencing the above captioned Chapter 11 case. The Debtor's Chapter 11 case is pending before the Honorable Elizabeth D. Katz, United States Bankruptcy Judge, as Case No. 16-31081-HJB. Under Sections 1107 and 1108 of the Bankruptcy Code, the Debtor operates as a debtor in possession.

This Disclosure Statement ("Disclosure Statement") is provided pursuant to §1125 of the Bankruptcy Code to all known holders of claims against and interests in the Debtor, whose claims and interests are impaired under the Debtor's Plan of Reorganization (the "Plan") and other parties in interest in concerning the Debtor's solicitation of acceptances of the Plan. The principal purpose of this Disclosure Statement is to provide information to enable a hypothetical, reasonable investor, typical of the holders of such claims/interests, to make an informed judgment exercising its, his or her vote to accept or reject the Plan.

After a hearing on notice, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind, and in sufficient detail, adequate to enable a hypothetical,

reasonable investor typical of the classes being solicited to make an informed judgment about the Plan.

The information contained in this Disclosure Statement has been prepared by the Debtor's management unless specifically stated to be from other sources. No representations concerning the Debtor are authorized by the Debtor other than those set forth herein.

YOU ARE URGED TO READ CAREFULLY THE CONTENTS OF THIS DISCLOSURE STATEMENT, INCLUDING THE PLAN, BEFORE MAKING YOUR DECISION TO ACCEPT OR REJECT THE PLAN. Particular attention should be directed to the provisions of the Plan affecting or impairing your rights as they presently exist. A copy of the Plan is attached hereto as Exhibit "A". The description of the Plan in this Disclosure Statement is a summary only and is qualified by reference to the actual terms and conditions of the Plan itself. The terms used herein have the same meaning as in the Plan unless the context thereof requires otherwise.

The Debtor has made great efforts to be accurate in all material respects, but the Debtor is unable to warrant or represent that all the information contained herein is without inaccuracy. While the Debtor believes this Disclosure Statement to be accurate and complete, the Bankruptcy Court has not passed upon the factual accuracy of the information herein.

NO REPRESENTATIONS CONCERNING THE DEBTOR, INCLUDING, WITHOUT LIMITATION, FUTURE BUSINESS OPERATIONS, THE VALUE OF ITS ASSETS, OR THE AGGREGATE DOLLAR AMOUNT OF CLAIMS WHICH MAY BE ALLOWED OR FINALLY DETERMINED, ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. Any representations or inducements made to secure acceptance or rejection of this Plan which are other than as contained in this Disclosure Statement should not be relied upon in voting on the Plan.

THE DEBTOR RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN.

IT IS IMPORTANT THAT YOU VOTE. Subject to certain exceptions, in order to obtain confirmation of the Plan by the Bankruptcy Court, the Plan must be accepted by claimants in Class Three **WHO ACTUALLY VOTE** on the Plan, who hold at least two-thirds in amount, and a majority in number, of the claims in each respective class. In addition, the Bankruptcy Court must make various findings required by §1129 of the Bankruptcy Code, including, among others, that confirmation of the Plan is not likely to be followed by liquidation or further financial reorganization. These requirements are more fully discussed in this Disclosure Statement below.

The statements contained in this Disclosure Statement are made as of the date hereof. The delivery of this Disclosure Statement shall not under any circumstances create an implication that there has not been any change in the facts set forth herein after the date of this Disclosure Statement.

II. DESCRIPTION OF THE DEBTOR

A. General Description of the Debtor

The Debtor was organized as a corporation principally to own and manage 935 - 979 Main Street, Springfield, Massachusetts ("The Main Street Building"). The Main Street Building is a building in downtown Springfield, and approximately one block from the MGM project being built in Springfield. The Debtor's principal, Brent Bertelli, is the Debtor's sole officer, director, and shareholder.

B. The Debtor's Assets and Liabilities upon Commencement of their Chapter 11 cases

The Debtor owns 935 - 979 Main Street, Springfield, Massachusetts (again "The Main Street Building"); the Debtor listed the value of the Main Street Building as \$1,800,000.00 in its Bankruptcy schedules. This value is based upon an appraisal from March, 2016, although the Debtor understands that this has been confirmed in the last few months by a broker's opinion.

The Main Street Building is three stories tall, with space in the basement. It has approximately 16,500 square feet. The Debtor also owns a lot, not contiguous to the Main Street Building, but within the same block, comprised of approximately 3,500 square feet.

The Main Street Building is composed of 10 condominiums. On June 1, 2011, it was severely damaged by a tornado. The Debtor purchased the building, or more specifically the 10 condominiums, on July 19, 2012 for a total amount of \$215,000.00. The purchase was financed with a mortgage from Hampden Bank in the total amount of \$472,500.00; the excess over the purchase price was reserved for renovations.

In addition to the Main Street Building, the Debtor's schedules list an insurance claim of unknown value. No other assets are listed; however, the Debtor has boxed lighting fixtures, with an original cost of \$60,000.

The Debtor lists in its schedules real estate taxes and water and sewer charges owed of approximately \$25,000, although the proof of claim filed lists these for approximately \$20,000.

The Debtor has two secured debts. It owes a first mortgage to the Lorenzo Bliss Realty Trust; this mortgage was originally held by Hampden Bank, but was eventually purchased by the present holder; the Lorenzo Bliss Realty Trust has filed a proof of claim stating that, as of the date of the commencement of the Chapter 11 Case, it was owed \$472,843.81. A second mortgage is asserted by Anthony Carnevale, and he has filed a proof of claim asserting that, as of the date of the commencement of the Chapter 11 Case, he was owed \$78,478.47. As described below in Section II C, the Debtor disputes various aspects of these claims.

The Debtor lists several unsecured creditors, but only three with specific amounts that total approximately \$15,000.

C. Prepetition History

Approximately 2 weeks after the Debtor's purchase of the Main Street Building on July 19, 2012, the MGM announced their interest in placing a facility under the Commonwealth of Massachusetts casino provisions in the South End of Springfield, approximately one block from the Main Street Building. Prior to this announcement, Brent Bertelli intended to move his floral business to the Main Street Building, and steadily renovate the building. While MGM was not finally approved for nearly three years (during a process that was competitive with other proposals, and anything but routine), the Debtor changed the scope of his intended renovations to one with high scale office and commercial space. In particular, the Debtor commenced renovations with the intention of moving the Debtor's principal's floral business into the first floor, but the continued MGM progress in submission, approvals, and commencement in building led to changes in the concept for the building and its renovations. Specifically, as compared to the relatively modest changes intended to repair the building and to permit middle sector tenants, the Debtor upgraded the concept to a higher clientele that could be characterized as first class or higher class tenants.

Further, despite mortgage financed improvements and additional contributions by the Debtor's principal all totaling approximately \$375,000, the renovations had complications, and the building was not completed. As a result of these changes, challenges, and difficulties, the Debtor found his building incomplete at the end of 2014, and in default on the Hampden Bank mortgage terms.

On December 31, 2014, Hampden Bank sold the mortgage and underlying obligations to J. Norbert Properties, LLC ("J. Norbert"). J. Norbert scheduled a foreclosure sale in early

March, 2015. This foreclosure sale was continued for 2 weeks when the Brent Bertelli paid \$25,000 to J. Norbert; the Debtor anticipated a refinancing or resolution in these two weeks. When a resolution was not reached, the Debtor filed a Chapter 11 petition, Chapter 11 Case No. 15-30265 (the "First Chapter 11").

The Debtor, in May, 2016, filed a motion to dismiss the First Chapter 11, when the Debtor believed that it had a refinancing at hand, although it had not been formalized. The Court allowed the motion.

When the Debtor was unable to realize a refinancing, J. Norbert scheduled a foreclosure sale for August, 2016. At the foreclosure sale, CB Realty LLC was the highest bidder; the holder of all the equity in CB Realty, LLC is Catherine Bertelli, the spouse of Brent Bertelli, and Brent Bertelli is the limited liability company's manager. At the foreclosure sale, CB Realty posted a deposit of \$15,000, with another \$57,500.00 due within 30 days. In order to raise the additional \$57,500.00, Anthony Carnevale lent \$57,500.00. However, the promissory note executed for these funds (the "Promissory Note") was for the amount of \$69,000.00 - the difference was 20 "points". The note has interest of 12%, with the entire balance due in 3 months. No notices under Section 49 of Chapter 271 of the Massachusetts General Laws was filed by Anthony Carnevale, and, therefore, as the interest rate (with the "points") exceeds 20%, the rate is usurious, and the Debtor asserts that the obligation is void.

There is another issue with the transaction described above. The Debtor received no funds from the Promissory Note; further, CB Realty LLC, which also executed the Promissory Note, received no consideration as, on July 29, 2016, CB Realty, LLC assigned its bid to Lorenzo Bliss Realty Trust, while the Promissory Note was executed after the date of assignment, on August 23, 2016. As such the Debtor received no consideration for the Promissory Note (and related Mortgage), as the funds from this Promissory Note were advanced for the benefit of Lorenzo Realty Trust. As such, the obligations to Anthony Carnevale (and the funds paid on behalf of Lorenzo Bliss Realty Trust) are fraudulent transfers under Bankruptcy and state law (and the Promissory Note and Mortgage should be voided, and the Lorenzo Realty Trust should return the funds).

After the scheduled foreclosure sale, on or about October 4, 2016, J. Norbert sold its mortgage and underlying obligation to Lorenzo Bliss Realty Trust. The Debtor understands that Anthony Carnevale has some interest in, or is otherwise affiliated with, the Lorenzo Bliss Realty Trust (Anthony Carnevale is "a related affiliate to Lorenzo Bliss" - Motion to Dismiss, Paragraph 22, Docket No. 18). Although the obligation transferred to Lorenzo

Bliss Realty Trust originated with Hampden Bank and, therefore, is presumably within the usury statute's exceptions, Bliss Realty Trust has asserted various expenses and charges (perhaps over \$100,000) which may trigger the usury statute's provisions; the Debtor also intends to investigate and verify these expenses and charges, and dispute them. Further, the affiliation between Anthony Carnevale and the Lorenzo Bliss Realty Trust draws into question the validity of the Lorenzo Bliss Realty Trust's claims.

In October, the Debtor had discussions with the Lorenzo Bliss Realty Trust and Anthony Carnevale concerning a restructuring of the mortgages and equity interests. The Debtor, or at least Brent Bertelli and/or CB Realty, LLC, executed proposed documents that the Debtor understood were agreed upon by all parties. However, Lorenzo Bliss Realty Trust and Anthony Carnevale dispute this, and this restructuring agreement was never effected. A complaint was filed in the Hampden Superior Court (the "State Complaint") concerning these allegations, and is attached hereto.

A foreclosure sale was scheduled by the Lorenzo Bliss Realty Trust for December 22, 2016. The Debtor attempted to enjoin the sale by the filing of the State Complaint on December 14, 2016, but was unsuccessful. A copy of the State Complaint, without exhibits, is attached hereto as Exhibit "C". The Debtor intends to amend this complaint to include various allegations of usury interest rates, fraudulent transfers and related actions.

D. The Debtor's Chapter 11 Operations

After filing of the Chapter 11 Case, the Lorenzo Bliss Realty Trust filed a motion to dismiss. The Motion to Dismiss was denied, and the Debtor was ordered to file a plan of reorganization by March 20, 2017.

The Debtor's only source of income is \$1,620 per month for the rental of parking spaces by Davenport Associates, the manager of the MGM project. The Debtor has placed these funds in escrow until resolution of this Chapter 11 Case or an order of the Bankruptcy Court.

The Debtor is paying for insurance and real estate taxes. The Debtor's principal, Brent Bertelli, is paying for these expenses.

III. THE PLAN OF REORGANIZATION

A. Formulation of the Plan

In formulating this Plan, the Debtor seeks an acceptable

means of distributing funds in satisfaction the claims of creditors in accordance with the priorities and requirements of the Bankruptcy Code. Accordingly, the Debtor proposes the following Plan.

B. Summary of the Provisions of the Plan

Reference is made to the Plan, attached as Exhibit "A", for specific details concerning the classification and treatment of holders of claims and interests. Unless otherwise noted, all terms defined in the Plan have the same meanings herein.

By way of summary, the Plan provides for the distribution of funds to its creditors, primarily to its secured creditors, holders of mortgages, and a dividend to unsecured creditors.

(i) Treatment of Administrative and Priority Claims

Administrative claims are all claims for goods and services incurred by the Debtor after the filing of his Chapter 11 Case. These claims (other than for professional services by attorneys, accountants and other professionals and such other administrative expense claims as require Bankruptcy Court approval) will be paid by the Debtor in the ordinary course of his affairs. The Debtor believes that these administrative expenses are relatively minor.

Administrative Claims for professional services (i.e. attorneys' or accountant's services) require Bankruptcy Court approval. These claims will be paid in full but only after the entry of orders allowing those claims after notice and hearing. The amounts estimated of such persons are as follows:

<u>Professional</u>	<u>Estimated Fees and Expenses</u>
Law Offices of Louis S. Robin (Debtor's Counsel)	\$50,000.00 (fees) \$ 2,500.00 (expenses)

These fees will be paid, upon approval of the Court, although the Debtor and Debtor's counsel may agree upon a schedule in order that fees not adversely impact the Debtor's plans and plan payments; the amounts above are estimates and may be less or more given the course of this case.

Priority Claims are claims which are entitled to priority under §507(a) of the Bankruptcy Code. They include certain claims for wages, benefits and taxes. In its schedules, the Debtor does not list such priority tax claims. To the extent there are any such claims, they will be paid within 30 days of the effective date of the order confirming the Debtor's Plan.

The Debtor also owes real estate taxes and water and sewer charges to the City of Springfield for approximately \$25,000. These will be paid will be paid within 30 days of the effective date of the order confirming the Debtor's Plan of Reorganization.

C. Classification and Treatment of Other Claims

The Plan divides all other claims and interests into the classes as follows. Although each class is defined generally, specific reference to the Plan is recommended.

(i) Class One - Secured Claim of the Lorenzo Bliss Realty Trust

This claim will be paid in full within 30 days of the effective date of the order confirming the Debtor's Plan or within 10 days of a final order determining the amount owed on the claim. To the extent that there is a dispute pending on this secured claim at the time of confirmation, the Court will order an amount to be held in escrow pending resolution.

This claim is unimpaired and is not entitled to vote on the plan.

(i) Class Two - Secured Claim of Anthony Carnevale

This claim will be paid in full within 30 days of the effective date of the order confirming the Debtor's Plan or within 10 days of a final order determining the amount owed on the claim. To the extent that there is a dispute pending on this secured claim at the time of confirmation, the Court will order an amount to be held in escrow pending resolution.

This claim is unimpaired and is not entitled to vote on the plan.

(iii) Class Three - General Unsecured Claims

Class Three consists of all unsecured claims. All allowed unsecured claims will be paid in full, in four (4) equal payments, the first due within 30 days of the effective date of the order confirming the Debtor's Plan or within 10 days of a final order determining the amount owed on the claim. The last three payments will be paid annually, on the anniversary of the confirmation of the plan of reorganization. If the Debtor's Main Street Property is transferred at any time after confirmation, these claims will be paid in full at that time.

This claim is impaired and is entitled to vote on the plan.

(iv) Class Four - Debtor's Interests

Under the Plan, the Class Four Debtor's Interests will be canceled.

This claim is impaired and is entitled to vote on the plan.

IV. OTHER PROVISIONS RELATING TO IMPLEMENTATION OF THE PLAN

A. Issuance of Equity Interests

The Debtor will issue new equity interests to Brent Bertelli, or his nominee. It is anticipated that Brent Bertelli will designate his spouse, Catherine Bertelli, as the recipient of the equity interest. In consideration of the newly issued equity interest, the confirmed Debtor will receive \$5,000.00.

Attached hereto, as Exhibit "B", is a Letter of Conditional Approval for Financing the payments under the Plan. To the extent necessary, the Debtor may need to transfer the Main Street Property to another entity to effect the financing. In this event, there will be sufficient funds set aside at the closing to pay all claims in full. If the Main Street Property were so transferred, it is anticipated that the designated purchase price would be \$1,800,000.00.

B. Full and Final Satisfaction

Except as otherwise expressly provided in §1141 of the Bankruptcy Code or the Plan, the payments made pursuant to the Plan will be in full and final satisfaction, settlement, release, and discharge, as against the Debtor, of any and all claims against the Debtor, as defined in the Bankruptcy Code, including, without limitation, any Claim or Equity Interest accrued or incurred on or before the Confirmation Date, whether or not (i) a Proof of Claim or interest is filed or deemed filed under §501 of the Bankruptcy Code; (ii) such Claim or Equity Interest is allowed under §501 of the Bankruptcy Code; or (iii) the holder of such Claim or Equity Interest has accepted the Plan.

C. Effect of Completion of Payments under the Plan

Except as otherwise provided in the Plan, all creditors and Equity Interest holders shall be precluded after the completion of payments under the Plan from asserting against the Debtor any claim, and such creditors, their successors and assigns, will be deemed to permanently enjoined from enforcing, or seeking to enforce, any such claims.

D. Executory Contracts

Any and all unexpired leases of the Debtor for the rental to individual entities, not expressly rejected by the Debtor prior to the Confirmation Date, shall be deemed assumed upon confirmation. All other contracts and leases shall be considered rejected. Any person or entity asserting a Claim for damages due to a rejection shall be required to file such Claim within 30 days of the rejection of such executory contract, or confirmation of the Plan, whichever is applicable, or will be forever barred from asserting any such Claim.

E. Preferences, Fraudulent Transfers, and other Actions

To the extent that any such claims are identified and recovered, the Debtor will pay such funds, after payment of legal expenses, to Class Three creditors on a *pro rata* basis, if these claims have not been paid in full as of the date of recovery; if these claims have been paid in full, or are paid in full as a result of the recovery, any remaining funds of the recovery shall be paid to the Debtor and distributed to equity holders.

F. Amendment of Plan

The Debtor may amend or modify the Plan before and after the Confirmation Date as provided in §1127 of the Bankruptcy Code. No notice of such amendment will be provided other than at the confirmation hearing, unless required by applicable law or the Bankruptcy Court.

V. CONFIRMATION AND CONSUMMATION

A. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a confirmation hearing on the Plan. An objection to confirmation may be filed in accordance with the provisions herein.

The confirmation hearing on the Plan has been scheduled for _____, 2017 at _____ a.m. before United States Bankruptcy Judge Elizabeth D. Katz of the United States Bankruptcy Court for the District of Massachusetts. The confirmation hearing may be adjourned from time to time by the Court without further notice, except at the confirmation hearing to those in attendance. However, the dates of any adjournment may be obtained from counsel to the Debtor. Any objection to confirmation must be made in writing setting forth in detail the basis of the objection and filed with the Clerk of the Bankruptcy Court, and served upon the following party:

Louis S. Robin, Esq.
Law Offices of Louis S. Robin
1200 Converse Street
Longmeadow, MA 01106

B. Confirmation Requirements

In order that the Plan to be confirmed, the Bankruptcy Code requires, among other things, that the Plan be proposed in good faith, that the Debtor discloses specified information concerning payments made or promised to insiders, and that the Plan comply with the applicable provisions of Chapter 11 of the Bankruptcy Code. Section 1129(a) of the Bankruptcy Code also requires that at least one class of claims has accepted the Plan, that confirmation is not likely to be followed by the need for further financial reorganization, and that the Plan be fair and equitable with respect to each class of claims or equity interests which is impaired under the Plan. The Bankruptcy Court can confirm the Plan if it finds that all of the requirements in §1129(a) of the Bankruptcy Code have been met. The Debtor believes that its Plan satisfies all of the requirements of confirmation.

1. Best Interests Test

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each class, that each holder of a Claim or Equity Interest of such class either (a) has accepted the Plan, or (b) will receive or retain under the Plan on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such person would receive if the Debtor were, on the Effective Date, liquidated under Chapter 7 of the Bankruptcy Code.

2. Financial Feasibility

The Bankruptcy Code requires, as a condition to confirmation, a finding by the Bankruptcy Court that confirmation of the Plan is not likely to be followed by the liquidation of the Debtor or the need for further financial reorganization. The Debtor believes that the Plan complies with the financial feasibility standard for confirmation in that all of its assets are being sold or liquidated.

3. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that each class of Claims that is impaired under the Plan accept the Plan, with the exception described in the

following section. A class of Claims has accepted the Plan if the Plan has been accepted by creditors (other than insiders) that hold at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims of such class who actually vote to accept or reject the Plan. Holders of Claims or Equity Interests who fail to vote are not counted as either accepting or rejecting the Plan.

A class that is not "impaired" under the Plan is deemed to have accepted the Plan; solicitation of acceptances with respect to such class is not required. A class is "impaired" unless (i) the legal, equitable, and contractual rights to which the Claim or Equity Interest entitles the holder of such claim or interest are not modified; (ii) with respect to a secured claim, the effect of any default is cured and the original terms of the obligation are reinstated; or (iii) the Plan provides that on the Effective Date, the holder of the Claim or Equity Interest receives on account of such Claim or, with respect to any Equity Interest, any fixed liquidation preference to which the Equity Interest holder is entitled or any fixed price at which the Debtor may redeem the security.

4. Confirmation Without Acceptance by All Impaired Classes

The Bankruptcy Code contains provisions which would enable the Bankruptcy Court to confirm the Plan, even though the Plan has not been accepted by all impaired classes, provided that the Plan has been accepted by a least one impaired class of Claims.

Section 1129(b)(1) of the Bankruptcy Code states "notwithstanding §510(a) of this title, if all of the applicable requirements of subsections (a) of this section other than paragraph (8) are met with respect to the plan, the Court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly and is fair and equitable, with respect to each class of claims or interest that is impaired under, and has not accepted, the plan."

This section provides that the Plan must be confirmed notwithstanding the failure of an impaired class to accept the Plan if the Plan does not discriminate unfairly (e.g., it does not provide to a class senior to the dissenting class more than 100 percent of the amount of its claims), and it is "fair and equitable" with respect to each class of claims that is impaired under, and has not accepted, the Plan. This "fair and equitable" requirement applies only with respect to dissenting classes and provides that the Plan may be confirmed as long as (i) any claim junior to the dissenting class is not receiving anything under

the Plan, and (ii) the dissenting class is receiving at least as much as it would receive under liquidation.

Under the provisions of the Plan, all of the applicable requirements of subsection (b) of §1129 will be met, unless Classes Three and Four vote against the Plan. Accordingly, rejections of the Plan by all these classes could prevent confirmation of the Plan. The Debtor believes that such actions would **NOT** be in the best interests of creditor and that the likely result of such actions would be the liquidation of the Debtor's assets, which the Debtor believes will result in no realization by unsecured creditors, unless in the unlikely event that a new proponent was willing to offer more than in the present Plan. Without limiting the foregoing, the Debtor believes, given the lack of third party interest demonstrated during the course of the case, that it is unlikely that any third party would propose any Plan for the reorganization of the Debtor as a going concern which would provide a greater distribution to the unsecured creditors.

C. Voting Instructions

A Ballot to be used for voting to accept or reject the Plan is enclosed with this Disclosure Statement mailed to persons entitled to vote. Members of Classes Three and Four are entitled to vote, provided that either (a) its Claim/Interest has been scheduled by the Debtor and such Claim/Interest is not scheduled as disputed, contingent, or unliquidated, or (b) it has filed a Proof of Claim on or before, April 7, 2017, unless its Claim/Interest is the subject of an objection or has been disallowed for voting purposes by the Bankruptcy Court.

Completed Ballots should be returned to:

Louis S. Robin, Esq.
Law Offices of Louis S. Robin
1200 Converse Street
Longmeadow, MA 01106

BALLOTS SHOULD BE RECEIVED ON OR BEFORE 5:00 P.M. ON
, 2017. ANY BALLOTS RECEIVED AFTER THAT TIME MAY NOT BE
COUNTED. ANY BALLOT WHICH IS EXECUTED BY THE HOLDER OF AN
ALLOWED CLAIM BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECT
THE PLAN SHALL BE DEEMED TO BE AN ACCEPTANCE.

VI. ALTERNATIVES TO THE PLAN AND LIQUIDATION ANALYSIS

In evaluating the Plan, each creditor should consider alternatives to the Plan. During its Chapter 11 case, the Debtor considered several alternatives, particularly the refinancing of

the mortgage debt and sale of the Arts Block Building. To date, this plan is the best if only alternative.

The only remaining alternative to this Plan would be the liquidation of the Debtor's assets. The Debtor believes that liquidation, probably through a foreclosure or other forced sale, would result in no more than a \$450,000 recovery. All these funds would be turned over to the mortgage holders, assuming their claims were valid, with unsecured creditors, administrative creditors, and priority creditors receiving nothing.

Based upon such liquidation analysis, the Debtor believes that the proceeds of liquidation would be substantially less than the proposed distributions by the Debtor under the Plan.

VII. CONCLUSION

THE DEBTOR URGES ALL CREDITORS TO ACCEPT THE PLAN.

Brent Bertelli, President of
Bertelli Realty Group, Inc.

Dated: May 24, 2017
