

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
CENTRAL DIVISION**

In re:

FYNDERS, INC.,  
KEEPERS, INC.,

Debtors.

Chapter 11

Case Nos. 17-40400-CJP  
17-40401-CJP

Jointly Administered

**FIRST AMENDED JOINT DISCLOSURE STATEMENT WITH RESPECT TO  
DEBTORS' CHAPTER 11 PLAN OF REORGANIZATION**

**Dated: ~~October 24~~ November 30, 2017**

FYNDERS, INC. and

KEEPERS, INC.

By their attorneys,

MADOFF & KHOURY LLP  
Pine Brook Office Park  
124 Washington Street, Suite 202  
Foxboro, MA 02035  
508-543-0040

## I. Introduction

Debtors Fynders, Inc. and Keepers, Inc. (collectively, the “Debtors”), provide this Joint Disclosure Statement With Respect To Debtors’ Chapter 11 Plan Of Reorganization (the “Disclosure Statement”) to all of the Debtors’ known creditors in order to supply the information you will need in exercising your right to vote upon Jointly Administered Debtors’ Chapter 11 Plan of Reorganization dated October 24, 2017 (the “Plan”), proposed by the Debtors under Chapter 11 of the United States Bankruptcy Code. A copy of the Plan is attached to this Disclosure Statement as Exhibit “A”.

A ballot for your use in voting to accept or reject the Plan is enclosed. Instructions for completing and returning the ballot are printed on the ballot itself.

**NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.**

**Except where specifically stated otherwise, the information contained in this Disclosure Statement is based upon information supplied by the Debtors. Although this Disclosure Statement describes the Plan in summary and in detail, it is recommended that you review the Plan for a definitive understanding of its terms.**

**Pursuant to this Disclosure Statement, the Debtors recommend that creditors vote to accept the Plan by completing and returning the enclosed ballot. Because a liquidation of the Debtors would provide the unsecured creditors with no dividend, there is no alternative to the Plan that will provide creditors with better treatment.**

### **A. Purpose Of This Document**

This Disclosure Statement describes: (i) the Debtors and the significant events which occurred during their Chapter 11 cases; (ii) the manner in which the Plan proposes to treat Claims against the Debtors; (iii) who can vote on or object to the Plan; (iv) why the Debtors believe that the Plan is feasible and the how the treatment of Claims under the Plan compares to the treatment of claims in the event of liquidations of the Debtors; and (v) the effect of confirmation of the Plan.

### **B. Deadlines For Voting And Objecting: Date of Plan Confirmation Hearing**

The Bankruptcy Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

#### *1. Time and place of hearing to confirm the Plan.*

The hearing at which the Bankruptcy Court will determine to confirm the Plan will take place on \_\_\_\_\_ at \_\_\_\_\_ a.m/p.m. (**Eastern Standard Time**), before the

Honorable Christopher J. Panos, in the United States Bankruptcy Court, located at the Donohue Federal Building, 595 Main Street, Room 211, Worcester, Massachusetts.

*2. Deadline for voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to counsel to the Debtors, David B. Madoff, Esq., Madoff & Khoury LLP, 124 Washington Street, Suite 202, Foxborough, Massachusetts 02035. In order for a ballot to be considered, it must be received by counsel to the Debtor no later than **4:30 p.m. (Eastern Standard Time) on \_\_\_\_\_, 2017**. See Section \_\_\_\_\_ below for a discussion of voting eligibility requirements.

*3. Deadline for objecting to Confirmation of the Plan*

Objections to confirmation of the Plan must be filed with the Bankruptcy Court and served on counsel to the Debtors by \_\_\_\_\_, 2017, at **4:30 p.m. (Eastern Standard Time)**.

*4. Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact counsel to the Debtors, David B. Madoff at the address set forth above.

## **II. Summary of the Plan**

Fynders is a restaurant located in West Boylston, Massachusetts operating under the name Fynders Pub. Fynders seats approximately 175 customers and has been open and operating since 1999. Fynders currently has 42 employees. Fynders is located next door to its affiliated restaurant, Keepers, which is currently closed for renovations and anticipates opening at or around the end of October 2017. Keepers, which had operated as a pub restaurant, will reopen as a more upscale restaurant under the name, McCormick & Mortell's Grill. It is anticipated that the restaurant will have approximately 20 employees when it commences its operations.

The Plan is a "bootstrap" or stand alone plan because it relies on future income of the Debtors to pay the obligations under the Plan. The Plan contemplates satisfaction of the secured creditors, administrative claims and non-tax priority claims. The Plan further provides for the payment of the secured and priority claims of the Internal Revenue Service, the Massachusetts Department of Revenue, the Massachusetts Department of Unemployment Assistance, and the Massachusetts Attorney General, Fair Labor Division with monthly payments, including appropriate interest, over a five-year period from the Petition Date. Finally, the Plan provides for the payment of a dividend of ten percent (10%) to the holders of allowed, general unsecured claims, which will be paid quarterly over a period of forty-eight months.

Budgets for Fynders and for Keepers reflecting their proposed payments under the Joint Plan are attached hereto as Exhibit "B" and "C" respectively.

### **III. Description of the Debtors**

#### **A. The Debtors' Business Prior to the Chapter 11**

As noted above, Fynders Pub is a full service pub style restaurant which also holds licenses issued by the Massachusetts Lottery Commission enabling it to sell lottery and Keno tickets. The menu of Fynders Pub contains offerings in the low to mid-price range. Fynders leases its location in West Boylston from a non-affiliated landlord.

In May of 2006, the owners of Fynders purchased a building next door to the restaurant that had served as a local hotel. They renovated the property and opened Keepers Pub, initially as a complement to Fynders to assist with the substantial overflow of patrons.

The Debtors began to experience financial difficulties as far back as 2007, when the Internal Revenue Service (the "IRS") conducted an audit and assessed the Debtors an additional income tax of approximately \$775,000.00. To address this problem, as well as other financial issues, on June 23, 2010, the Debtors filed jointly administered petitions under Chapter 11 of the Bankruptcy Code designated as *In re Fynders, Inc.*, Case No. 10-43170-MSH and *In re Keepers*, Case No. 10-43171-MSH.

On December 21, 2010, the Bankruptcy Court confirmed the Debtors Combined Plan Of Reorganization And Disclosure Statement For Small Business Debtors dated October 22, 2010 (the "2010 Plan"). The 2010 Plan provided for the payment of the IRS and Massachusetts Department of Revenue (the "MA DOR") claims over a five-year period, a ten percent dividend to general unsecured creditors, and the continued payment of the Debtors' secured claims.

Although the Debtors were successful in completing their plan payments to the IRS and the Massachusetts Department of Revenue (the "MDOR"), additional financial difficulties led to the creation of substantial new tax debt, as well as an inability to stay current with its vendors. Primarily, the financial difficulties arose because of Keepers' failure to remain profitable. In fact, the failure of Keepers to produce anticipated revenues placed undue burdens on the operation to make additional payment of expenses, particularly to certain of the Debtors' joint creditors. In order to address these problems, Keepers Pub was temporarily closed in order to renovate it and to allow it to re-create itself as a more upscale restaurant. The Debtors believed that the change in the Keepers' business model will substantially increase its sales and profits.

On March 7, 2017, the MDOR seized the Debtors' facilities. The Chapter 11 cases were filed so as to permit the Debtors to re-open and to give Keepers an opportunity to complete its renovation and to implement its changed business model.

**B. Summary of Debtors' Assets**

**Fynders:** The following is a summary of Fynders's current assets and liabilities as of March 7, 2017:

**Assets:**

Real property:	\$ 0.00
Cash:	\$ 2,678.53
Inventory and supplies:	\$ 15,000.00
Office and restaurant equipment:	\$103,000.00
Vehicles and trailer:	<u>\$ 19,550.00</u>
Total:	\$140,228.53

(In addition to this amount, Fynders lists on its books a loan to 175 LLC in the amount of \$516,137.85 and a loan to Keepers in the amount of \$201,860.96. However, in view of the inter-company nature of these loans and the financial condition of each of the obligors, it appears that the value of these loans is of little or no value.)

**Liabilities:**

Based upon Fynders' records and the proofs of claim filed in its Chapter 11 case, Fynders' liabilities can be summarized as follows:

**Administrative Claims:**

Claims of the Debtors' professionals (net of retainers) and other administrative expenses: \$51,000.00

**Secured Claims**

Secured and priority claims of the taxing authorities: \$685,952.20  
\$570,676.12

U.S. Small Business Administration: \$516,788.27

General unsecured claims: \$415,000.00

**Keepers**: The following is a summary of Keepers's current assets and liabilities as of March 7, 2017:

**Assets:**

Real property:	\$	0.00
Cash:	\$	411.51
Inventory and supplies:	\$	2,000.00
Office and restaurant equipment:	\$	18,000.00
Trailer:	\$	<u>200.00</u>
Total:	\$	20,611.51

**Liabilities:**

Based upon Keepers' records and the proofs of claim filed in its Chapter 11 case, Keepers' liabilities can be summarized as follows:

Secured Claims

Secured and priority claims of the taxing authorities: ~~\$301,697.03~~  
\$266,991.99

U.S. Small Business Administration: \$516,788.27

General unsecured claims: \$415,000.00

The Debtors' most recent financial statements for the period prior to the commencement of their Chapter 11 cases are attached hereto as Exhibit "D".

**IV. The Chapter 11 Case**

On March 7, 2017 (the "Petition Date"), the Debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code in this Court. Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors continue to manage their businesses and financial affairs as debtors-in-possession. No creditors' committee was appointed in either case.

As noted above, these Chapter 11 cases were filed after the MDOR had seized the Debtors' facilities, and allowed the Debtors to reopen. During the pendency of its Chapter 11 proceeding, Fynders sought and obtained approval from the Bankruptcy Court to utilize its cash collateral to continue its operations. At the same time, Keepers, which had closed its operations on January 1, 2017, continued the renovations to its restaurant so as to be able to open a higher end restaurant. As noted above, in place of the pub style restaurant, Keepers will reopen as a more upscale restaurant called, McCormick & Mortell's Grill, which will have a totally revised menu and theme. It is anticipated that this change will afford Keepers a substantial advantage against competition from other eating establishments in the area. A copy of each of the Debtors' most recent post-petition operating report is attached hereto as Exhibit "E".

#### **IV. Classification of Claims and Their Treatment Under the Plan**

The following is a description of the Debtors' liabilities, and their treatment under the Plan. In summary, the order of payment of claims shall be:

- A. Administrative Claims (Unclassified)
- B. Secured Claims (Classes 1A – 1G)
- C. Prepetition Priority Claims (except tax claims) (Class 2)
- D. Prepetition Secured and Priority Tax Claims (Class 3)
- E. General Unsecured Claims (Classes 4A and 4B)
- F. Equity and Beneficial Interests (Class 5)

##### **A. Administrative Claims.**

Administrative claims under 503(b) include expenses incurred during the Chapter 11 case, including fees of professional persons, United States Trustee Quarterly Fees, and other expenses. Holders of Allowed Claims for administrative expenses that have been incurred in the ordinary course of the Debtors' business shall be paid in the ordinary course of business, including the United States Trustee Quarterly Fees. All other holders of Allowed Claims for administrative expenses shall be paid the full amount of such Allowed Claim in cash on the Effective Date, unless a different treatment is mutually agreed upon by the claimant and the Debtors.

The following is an estimate of the known Administrative Claims against the Debtors, with the estimated amount of such claims:

##### **Professional Fees**

Payment to professionals shall be made first from retainers held by the professionals, and then in accordance with the Budget. The estimated fees of professionals in this case are as follows:

There are two claims for professional services in these proceedings: (i) Madoff & Khoury, LLP, counsel to the Debtors ("Counsel") whose claim is estimated to be in the amount of \$31,000.00. Counsel is holding a retainer in the amount of \$15,106.00, which will be applied against any fee which is ultimately allowed to Counsel; and (ii) Hershman, Fallstrom & Crowley, Inc., the Debtors' accountant, whose claim is estimated to be in the amount of \$30,000.00. All professional fees are subject to approval by the Bankruptcy Court.

All administrative claims relating to expenses incurred during the Debtor's reorganization case, on account of the employment of Professional Persons, as defined in Article I, above, at least through and including thirty (30) days prior to the first date scheduled for the Confirmation Hearing, shall be made the subject of applications for allowance of fees and reimbursement of expenses ("Fee Applications") which shall be filed on or before \_\_\_\_\_ at 4:30 p.m. Any such Fee Application may include a request for payment of anticipated fees and expenses through the Effective Date of the Plan to the extent such fees and expenses can be reasonably determined.

In addition, two trade creditors filed requests with the Bankruptcy Court seeking a determination that their respective claims against Fynders were entitled to be treated as Chapter 11 administrative expenses. Specifically, Ruby Wines, Inc. requested that its claim in the amount of \$2,067.87 was entitled to an administrative expense, and Horizon Beverage Company, Inc. sought similar treatment for its claim in the amount of \$2,800.09. Each of those requests was allowed by the Bankruptcy Court, and such claims will be paid in cash on the Effective Date.

**A. Classes 1A through 1J – Secured Claims**

A claim is "secured" when a creditor holds a lien on particular assets ("collateral") to assure payment of the claim. In general, proceeds from any sale of collateral must be applied first to the repayment of any claims secured by the collateral. If the amount of the claim exceeds the value of the collateral, then the claim is considered to be a "secured claim" under bankruptcy law only to the extent of value of the collateral.

Each of the following constitutes a separate class:

**Class 1A – Allowed Claim of Rockland Trust Company against Fynders**

Rockland Trust Company ("Rockland") asserts a claim against Fynders in the amount of \$611,946.15 as of the Petition Date. This obligation arises out of a loan in the original principal amount of \$731,275.00 (the "Rockland Note") made by Rockland's predecessor in interest,



Benjamin Franklin Bank, to One Seventy-Five LLC (“175 LLC”), a Massachusetts limited liability company controlled by Kathleen and Kevin McCormick, the principals of Fynders and Keepers. The funds from the loan were used by 175 LLC in the acquisition and renovation of the property located at 175 West Boylston Street, West Boylston, Massachusetts, the site of Keepers’ operations (the “175 West Boylston Property”). The Rockland indebtedness is secured by a mortgage on the 175 West Boylston Property and is guaranteed by Fynders. At the present time, and until Keepers re-opens and begins to generate funds from its operations, the Rockland indebtedness will continue to be paid by Fynders, and Rockland will continue to be paid in accordance with the terms of the Rockland Note.

*Class 1A is unimpaired.*

**Class 1B – Allowed Claim of Rockland Trust Company against Keepers**

Rockland asserts a claim against Keepers in the amount of \$611,946.15 as of the Petition Date. This obligation arises out of a loan in the original principal amount of \$731,275.00 (the “Rockland Note”) made by Rockland’s predecessor in interest, Benjamin Franklin Bank, to 175 LLC. The funds from the loan were used by 175 LLC in the acquisition and renovation of the property located at the 175 West Boylston Property, the site of Keepers’ operations. The Rockland indebtedness is secured by a mortgage on the 175 West Boylston Property and is guaranteed by Keepers. At the present time, and until Keepers re-opens and begins to generate funds from its operations, the Rockland indebtedness will continue to be paid by Fynders. Thereafter, Keepers will commence payment of rent to 175 LLC, which, in turn, will use such funds to service the obligation to Rockland in accordance with the terms of the Rockland Note.

*Class 1B is unimpaired.*

**Class 1C – U.S. Small Business Administration against Fynders**

The U.S. Small Business Administration (the “SBA”) asserts a secured claim against Fynders in the amount of \$516,788.27 as of the Petition Date (the “SBA Obligation”). The SBA Obligation arises out of a loan made by the SBA’s predecessor in interest, Granite State Economic Development Corporation (“Granite”) to 175 LLC to purchase the 175 Boylston Property and to install equipment into that premises. The loan was evidenced by a promissory note dated January 2, 2008 in the original principal amount of \$604,000.00 (the “Granite Note”). The obligation to Granite was secured by a second mortgage on the 175 Boylston Property and is guaranteed by Fynders. The SBA is an assignee of the Granite Note, as well as the mortgage and the Fynders’ guarantee.

The Fynders guarantee is secured by a lien on all of its goods and equipment. The value of Fynders’ goods and equipment, as of the Petition Date, was \$118,000.00. Therefore, as to Fynders, SBA holds a secured claim in the amount of \$118,000.00, and an unsecured claim in the amount of \$398,788.27. Under the Plan, the SBA will receive no distribution or payment from Fynders and 175 LLC will continue to make payments under the Granite Note.

*Class 1C is impaired.*

**Class 1D – U.S. Small Business Administration against Keepers**

The SBA asserts a secured claim against Keepers in the amount of \$516,788.27 as of the Petition Date (the “Keepers SBA Obligation”). This obligation arises out of a loan made by Granite to 175 LLC to purchase the 175 Boylston Property and to install equipment into that premises. The loan was evidenced by the Granite Note. The obligation to Granite was secured by a second mortgage on the 175 Boylston Property and is guaranteed by Keepers. The SBA is an assignee of the Granite obligation as well as the mortgage and the Keepers’ guarantee. 175 LLC will continue to make payments under the Granite Note.

The Keepers guarantee is secured by a lien on all of Keepers’ goods and equipment. The value of Keepers’ goods and equipment, as of the Petition Date, was \$20,000.00. Therefore, as to Keepers, the SBA holds a secured claim in the amount of \$20,000.00 and an unsecured claim in the amount of \$496,788.27. Under the Plan, the SBA will receive no distribution or payment from Keepers and 175 LLC will continue to make payments under the Granite Note.

*Class 1D is impaired.*

**Class 1E – Allowed claim of Colonial Funding Network, Inc., as servicing provider for First US Funding (“Colonial”) against Fynders.**

Colonial asserts a secured claim against Fynders in the amount of \$175,738.01 as of the Petition Date. Prior to the Petition Date, Colonial provided financing to Fynders, which financing was secured by credit card receipts run through a processor, which Fynders believes is an affiliate of Colonial. Under the agreement with Colonial, the processor remitted approximately ten percent of all receipts back to Colonial and the remainder to Fynders. Colonial’s claim against Fynders is guaranteed by Kathleen McCormick, the principal of Fynders.

As of the Petition Date, Colonial no longer had any rights to any credit card receipts. Therefore, as of this date, Colonial has no collateral securing its claim. Accordingly, the Colonial Claim against Fynders is a general unsecured claim, and will be treated under Class 4A.

*Class 1E is impaired.*

**Class 1F – Allowed claim of Colonial Funding Network, Inc., as servicing provided for First US Funding against Keepers.**

Colonial asserts a secured claim against Keepers in the amount of \$122,099.62 as of the Petition Date. Prior to the Petition Date, Colonial provided financing to Keepers, which financing was secured by credit card receipts run through a processor, which Keepers believes is an affiliate of Colonial. Under the agreement with Colonial, the processor remitted approximately ten percent of all receipts back to Colonial and the remainder to Keepers.

Colonial's claim against Keepers is guaranteed by Kathleen McCormick, the principal of Keepers.

As of the Petition Date, Colonial no longer had any rights to any credit card receipts. Therefore, as of this date, Colonial has no collateral securing its claim. Accordingly, the Colonial Claim against Keepers is a general unsecured claim, and will be treated under Class 4B.

*Class 1F is impaired.*

**Class 2A – Priority Claims (Non-Tax) against Fynders**

Class 2A is comprised of all holders of non-tax Allowed Claims entitled to priority. Section 1129(a)(9)(A) of the Code requires, with respect to priority claims that, except to the extent the holder of such priority claim has agreed to a different treatment of such claim, on the effective date of the plan, holders of such claims "receive on account of such claim cash equal to the allowed amount of such claim." Under the Plan, holders of Allowed Class 2A claims, if any, will receive cash payment in the full amount of their claims on the effective date. Fynders believes that there are no such non-tax priority claims.

The Town of West Boylston DPW/Sewer Division ("Boylston") has filed a proof of claim in the amount of \$23,424.88 allegedly arising out of Fynders' sewer usage. While Boylston asserts that it holds a priority claim in that amount, it failed to designate the basis of its priority claim. In fact, Fynders asserts that Boylston's claim is not entitled to priority treatment and will object to the priority claim, and treat such claim, in the amount allowed, as a Class 4A general unsecured claim.

*Class 2 is unimpaired.*

**Class 2B- Priority Claims (Non-Tax) against Keepers**

Class 2B is comprised of all holders of non-tax Allowed Claims against Keepers entitled to priority. Section 1129(a)(9)(A) of the Code requires, with respect to priority claims that, except to the extent the holder of such priority claim has agreed to a different treatment of such claim, on the effective date of the plan, holders of such claims "receive on account of such claim cash equal to the allowed amount of such claim." Under the Plan, holders of Allowed Class 2B claims, if any, will receive cash payment in the full amount of their claims on the effective date. Keepers believes that there are no such non-tax priority claims.

The Town of West Boylston has filed a proof of claim in the amount of \$7,734.03 allegedly arising out of Keepers' sewer usage. While Boylston asserts that it holds a priority claim in that amount, it failed to designate the basis of its priority claim. In fact, Keepers asserts that Boylston's claim is not entitled to priority treatment and will object to the priority claim, and treat such claim, in the amount allowed, as a Class 4B general unsecured claim.

*Class 2 is unimpaired.*

**Class 3A – Priority Tax Claims against Fynders**

Priority claims also include certain tax claims, as set forth in Section 507(a)(8) of the Bankruptcy Code. The treatment of priority and secured tax claims is set forth in Section 1129(a)(9)(C) and (D) of the Code.

The following creditors have asserted Class 3A Claims against Fynders: (i) the Internal Revenue Service (the “IRS”) has asserted a priority and secured claim in the amount of \$244,451.72; (ii) the Massachusetts Department of Revenue (the “MDOR”) has asserted a priority and secured claim in the amount of \$266,639.67; and (iii) the Massachusetts Department of Unemployment Assistance (the “DUA”) has asserted a priority and secured claim in the amount of \$117,635.81. Fynders maintains that the MDOR and the DUA each of these claims are overstated (due to the failure to appropriately credit certain payments made by Fynders to these claimants and that certain portions of the claims were discharged by Fynders previous Chapter 11 proceeding), and may object to such claims if the parties cannot agree on the amount of such claims. Fynders asserts that the accurate amount of the MDOR and DUA taxing authorities-secured and priority claims are as follows: ~~IRS --- \$234,002.46; MDOR ---~~ \$189,908.86; and ~~DUA ---~~ \$79,090.54. In addition to these claims, and the IRS claim, the Massachusetts Attorney General, Fair Labor Division (the “AG”) holds a priority claim in the amount of \$57,225.00, resulting from an audit reflecting an under payment of overtime to its employees.

The holders of Allowed Class 3A Claims shall each receive monthly payments over a period of five years from the Petition Date of a total value equal to the allowed amount of each such Claim, including appropriate interest pursuant to Section 511 of the Bankruptcy Code, IRC Sections 6621 and 6622 (as to the IRS claim), and Massachusetts General Laws Ch. 62C, Section 32(a) (as to the claims of the Commonwealth of Massachusetts). The payment to the holders of Allowed Class 3A Claims shall commence on the later of: (i) the seventh (7<sup>th</sup>) day of the first full month after the Effective Date; or (ii) the date on which such Claim is Allowed. Based upon the amount of the tax claims asserted by Fynders, the taxing authorities will receive ~~fifty-two~~ monthly equal monthly payments in the following amounts: (i) IRS ~~-\$4,908.78~~ \$5,316.60; (ii) MDOR ~~-\$4,333.67~~ \$4,478.84; (iii) DUA ~~-\$1,804.83~~ \$1,865.28; and (iv) AG ~~-\$1,305.86~~ \$1,349.60. Each of the taxing authorities shall retain the same priority and secured status as they have on the date hereof.

*Class 3A is impaired.*

**Class 3B – Priority Tax Claims against Keepers**

Priority claims also include certain tax claims, as set forth in Section 507(a)(8) of the Bankruptcy Code. The treatment of priority and secured tax claims is set forth in Section 1129(a)(9)(C) and (D) of the Code.

The following creditors have asserted Class 3B Claims against Keepers: (i) the IRS has asserted a priority and secured claim in the amount of \$115,482.33; (ii) the MDOR has asserted a priority and secured claim in the amount of \$74,641.52; and (iii) the DUA has asserted a priority and secured claim in the amount of \$111,573.18. Keepers maintains that the amount of MDOR and the DUA claims are overstated (due to the failure to appropriately credit certain payments made by Keepers to these claimants and that certain portions of the claims were discharged by Keepers previous Chapter 11 proceeding), and, may object to this claim if the parties are not able to agree on the amount of the claim. Keepers asserts that the accurate amount of the secured and priority claim of the MDOR is in the amount of \$64,037.45, and of the DUA is in the amount of \$87,472.21.

The holders of Allowed Class 3AB Claims shall each receive monthly payments over a period of five years from the Petition Date of a total value equal to the allowed amount of each such Claim, including appropriate interest pursuant to Section 511 of the Bankruptcy Code, IRC Sections 6621 and 6622 (as to the IRS claim), and Massachusetts General Laws Ch. 62C, Section 32(a) (as to the claims of the Commonwealth of Massachusetts). The payment to the holders of Allowed Class 3A Claims shall commence on the later of: (i) the seventh (7<sup>th</sup>) day of the first full month after the Effective Date; or (ii) the date on which such Claim is Allowed. Based upon the amount of the tax claims asserted by Keepers, the taxing authorities will receive fifty-two equal monthly payments in the following amounts: (i) IRS ~~-\$2,422.53~~ \$2,511.63; (ii) MDOR - ~~\$1,461.31~~ \$1,510.27; and (iii) DUA ~~-\$1,996.09~~ \$2,062.96. Each of the taxing authorities shall retain the same priority and secured status as they have on the date hereof.

*Class 3B is impaired.*

#### **Class 4A and 4B – Allowed General Unsecured Claims**

Unsecured claims not entitled to priority under the Bankruptcy Code are called “general unsecured claims”. If you loaned money without collateral or supplied goods or services to the Debtors prior to the Petition Date (i.e., March 7, 2017), and you have not been paid, then you probably hold a general unsecured claim. Holders of general unsecured claims also include secured creditors whose claims exceed the value of their collateral.

In order to be allowed, a general unsecured claim must either be set forth in a proof of claim properly filed with the Bankruptcy Court on or before deadline established by the Bankruptcy Court, namely, June 15, 2017, or listed by the Debtors in their Schedules Of Assets And Liabilities filed with the Bankruptcy Court as an obligation other than a liability that is disputed, unliquidated or contingent. Even a properly filed or scheduled claim may still be disallowed if an objection to the claim is filed and granted by the Bankruptcy Court. The objection procedure is described below in Section VI.

#### **Class 4A – Allowed General Unsecured Claims Against Fynders**

Class 4A is comprised of all holders of Allowed general unsecured claims against Fynders. This class includes trade claims owed by Fynders, the undersecured portion of any

purported secured claims, and any portion of a claim of a taxing authority not entitled to treatment as secured or priority claim. Fynders estimates that there will be approximately \$415,000.00 in allowed Class 4A claimants. Based upon the Allowed Class 4A claimants, each holder of an Allowed Class 4A Claim shall be paid, in full settlement and satisfaction of such Claim, deferred cash payments equal to ten per cent (10%) of such Allowed Claim over 48 months from the Effective Date. The holders of Allowed Class 4A Claims will be paid in equal quarterly installments without interest. In accordance with Fynders's budget, attached hereto as Exhibit "A", during each of the four twelve-month periods, Class 4A claimants will receive 2.5% of their Allowed Claims.

*Class 4A is impaired.*

#### **Class 4B – Allowed General Unsecured Claims against Keepers**

Class 4B is comprised of all holders of Allowed general unsecured claims against Keepers. This class includes trade claims owed by Keepers, the undersecured portion of any purported secured claims, and any portion of a claim of a taxing authority not entitled to treatment as secured or priority claim. Keepers estimates that there will be approximately \$269,000.00 in allowed Class 4B claimants. Based upon the Allowed Class 4B claimants, each holder of an Allowed Class 4B Claim shall be paid, in full settlement and satisfaction of such Claim, deferred cash payments equal to ten per cent (10%) of such Allowed Claim over 48 months from the Effective Date. The holders of Allowed Class 4B Claims will be paid in equal quarterly installments without interest. In accordance with Keeper's budget, attached hereto as Exhibit "A", during each of the four twelve-month periods, Class 4B claimants will receive 2.5% of their Allowed Claims.

*Class 4B is impaired.*

#### **Class 5 – Equity Interests**

Class 5 is comprised of all equity interests in both Fynders and Keepers. Kathleen McCormick is the sole holder of equity interests in both Fynders and Keepers. Holder of equity interests shall receive no distribution under the Joint Plan on account of such interests, but will retain unaltered, the legal, equitable and contractual rights to which such interests were entitled as of the Petition Date.

*Class 5 is unimpaired*

### **VI. Claims Objections**

No claim will be paid unless it is allowed by the Bankruptcy Court. If you filed a proof of claim before the deadlines established by the Court, then your claim will be automatically allowed unless a Debtor or another interested party files a written objection with the Court before the time periods set forth below. Similarly, even if you did not file a proof of claim, if your claim is listed in the Schedules of Liabilities filed by the Debtors as an obligation that is not

disputed, unliquidated or contingent, then your claim will be automatically allowed unless an objection is filed with the Court before the deadlines set forth below.

If an objection to your claim is filed, a copy of the objection will be sent to you. You will also receive a notice specifying the deadline for you to file a written response to the objection, as well as the date, time and place of the hearing regarding the merits of your claim. If your claim is then allowed, you will be entitled to receive a distribution on account of your Allowed Claim as provided by the Plan.

In order to ensure that there are funds available to make the appropriate distribution on account of disputed claims that are ultimately allowed (in whole or in part), the Plan provides for the Debtors to hold in reserve the pro-rata amount to which such holder would be entitled if its claim were allowed in the full amount asserted. If a claim to which an objection has been filed is allowed by the Court, the holder will receive the amount to which it is entitled. If the claim is allowed in a reduced amount or disallowed, then the reserved funds not necessary to pay the claim will go back to the Debtors.

#### **A. Objections to Pre-Petition Claims**

All claims that arose prior to the dates on which each of the Debtors' bankruptcy petitions were filed and are either (i) listed on the Debtor's Schedules and not listed as disputed, contingent or unliquidated, or (ii) the subject of a timely filed Proof of Claim, shall be allowed in full, unless such claim is objected to within 30 days of the Effective Date of the Plan.

Claims based upon the rejection of an executory contract or unexpired lease shall not be deemed timely filed and shall be disallowed unless a proof of claim has been filed by the later of the Bar Date or 30 days after the entry of an order rejecting such executory contract or unexpired lease.

#### **B. Bar Date for and Objection to Post-Petition Claims**

Any claim entitled to priority under Code Section 503(b), except for claims of Professional Persons, shall be forever barred unless it is the subject of a proof of claim filed with the Bankruptcy Court and served by the Administrative Claim Bar Date. Such proof of claim will be allowed in full unless such claim is objected to within 30 days of the Effective Date of the Plan.

### **VII. Implementation of the Plan**

#### **A. Consummating the Plan**

On the Effective Date, the Debtors shall commence making payments under the Plan and according to the Budget. All property of the Debtors, including property of the estate under 11 U.S.C. Section 541, shall be vested in the Debtors free and clear of any claims, liens and encumbrances, except for the liens granted hereunder or to be retained under the Plan.

**B. Distributions**

a. Delivery of Distributions. Distributions, deliveries, and any notice to holders of Allowed Claims will be made at (i) the addresses set forth in any proof of claim filed by the holders of such Allowed Claims or, if none, at the address set forth in the Debtors' Schedules, or (ii) at the addresses set forth in any written notices of address changes delivered to and received by the Debtors after the Effective Date. If any Distribution is returned as undeliverable, no further distributions to the holder will be made unless and until the Debtors are notified of the holder's then current address, at which time all returned Distributions will be made to the holder without interest. All claims for undeliverable Distributions must be made to the Debtors on or before one hundred and twenty (120) days from the date of mailing or other form of delivery of such Distribution. After that date, all unclaimed property shall be repaid to the Debtors and the Claim of any holder with respect to such property will be discharged and forever barred.

b. Time Bar to Cash Payments. Checks issued by the Debtors in respect of Allowed Claims will be null and void if not cashed within 90 days of the date of their issuance. Requests for reissuance of any check shall be made to the Debtors by the holder of the Allowed Claim which respect to which the check originally was issued. Any claim in respect of such a voided check must be made on or before one hundred and twenty (120) days after the date of issuance of the check (unless extended in the sole and exclusive discretion of the Debtors). After that date, all claims in respect of void checks will be discharged and forever barred and the cash, including interest earned thereon, if any, shall be distributed in accordance with the terms of this Plan.

c. De Minimis Distributions. No cash payment of less than ten dollars (\$10.00) will be made by the Debtors to any creditor unless a request is made in writing to the Debtors to make such a payment within 45 days after the date that such payment became due.

**C. Discharge**

Except as otherwise provided in the Plan or the Confirmation Order, upon the Effective Date, pursuant to Section 1141(d)(1) of the Bankruptcy Code, the Debtors shall be discharged and released of and from any and all debts, liabilities of Claims arising on or before the Confirmation Date, including, without limitation, all principal and interest, and whether or not (a) a proof of claim or interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (b) such Claim or Interest is Allowed under Section 502 of the Bankruptcy Code, or (c) the holder of such Claim or Interest has accepted the Plan.

Nothing in the Plan shall discharge or release the obligations of non-Debtor guarantors to creditors of the Debtors.

**D. Other Duties and Responsibilities of the Debtors**

In addition to the various obligations and duties of the Debtors described elsewhere in the



Plan, the Debtors shall have the following specific duties and powers:

- a. preparation and filing of all required tax returns including the right to request a determination of tax liability as set forth in Bankruptcy Code Section 505. All 2015 state and federal tax returns for the Debtors have been filed or shall be filed by the date set for the hearing on confirmation of the Plan;
- b. preservation or liquidation of assets or the distribution of proceeds of assets;
- c. payment of post-confirmation fees due to the Office of the United States Trustee;
- d. filing of status reports with the Bankruptcy Court or other parties in interest; and
- e. filing a motion for Final Decree;

**E. Obligations to the United States Trustee**

The Debtors will be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6). After confirmation, the Debtors will serve the United States Trustee with a monthly financial report for each month (or portion thereof) the case remains open. The monthly financial report shall include the following:

- a. a statement of all disbursements made during the course of the month, whether or not pursuant to the plan;
- b. a summary, by class, of amounts distributed or property transferred to each recipient under the plan, and an explanation of the failure to make any distributions or transfers of property under the plan;
- c. Debtors' projections as to their continuing ability to comply with the terms of the plan;
- d. a description of any other factors which may materially affect the Debtors' ability to consummate the plan; and
- e. an estimated date when an application for final decree will be filed with the court (in the case of the final monthly report, the date the decree was filed).

**F. Postpetition Management of the Debtors**

Kathleen McCormick, the President of the Debtors, will continue as the manager of the reorganized Fynders, and Kevin McCormick, the husband of the President, will serve as the manager of the reorganized Keepers. Neither Mrs. McCormick nor Mr. McCormick currently receive any salary for the work performed for the Debtors, and no changes are contemplated to those arrangements.

### **VIII. Executory Contracts and Unexpired Leases**

The Bankruptcy Code permits the rejection of executory contracts and unexpired leases that are burdensome to the Debtors' estates. As of the Effective Date, all executory contracts and unexpired leases, except those expressly rejected by prior Court order, shall be deemed assumed.

Any claim for damages arising from the rejection of an executory contract or unexpired lease shall, upon allowance, be a Class 4 general unsecured claim against the estate. Proof of such Claim must be filed by the later of the Bar Date or 30 days after entry of an order rejecting such executory contract or unexpired lease, or the claimant shall be forever barred from asserting such Claim.

### **IX. Acceptance and Confirmation of the Plan**

The bankruptcy law provides that any class of creditors or stockholders whose rights are "impaired" (that is, not fully honored) under a proposed plan of reorganization has the right, as a class, to accept or reject the plan. Each member of the class may vote on this decision. A class of creditors accepts the Plan if more than one-half of the ballots that are timely received from members of the class, representing at least two-thirds of the dollar amount of claims for which ballots are timely received, are voted in favor of the Plan.

Classes 1C, 1D, 1E, 1F, 3A, 3B, 4A and 4B are impaired, and may therefore vote to accept or reject the plan. Classes 1A, 1B, 2A, 2B and 5 are unimpaired and may not vote.

Included in the same envelope containing this document is a ballot by which you may vote to accept or reject the Plan. Instructions for completing and returning the ballot are found on the ballot itself. **IN ORDER FOR YOUR VOTE TO COUNT, IT MUST BE RECEIVED BY THE UNDERSIGNED COUNSEL NOT LATER THAN 4:30 P.M. (EASTERN STANDARD TIME) ON \_\_\_\_\_ .**

The Debtor's Plan will be confirmed if it meets the requirements set forth in the Bankruptcy Code. Among these requirements are:

- The Plan must have been accepted by at least one impaired class of creditors.
- If any class rejects the Plan, the Bankruptcy Court must find that the Plan is fair and equitable to, and does not unfairly discriminate against, such class.
- If any creditor does not accept the Plan, the Bankruptcy Court must determine that the Plan provides such creditor with at least as great a distribution as the creditor would receive in a Chapter 7 liquidation. The Debtors' management believes that, as illustrated in the liquidation analysis set forth below, this requirement has been established. In fact, the Plan provides that holders of Allowed Class 4

unsecured claims will receive more under the Plan than in a liquidation, where such creditors would not receive any dividend.

The Bankruptcy Court must determine that confirmation of the Plan is not likely to be followed by the need for liquidation (except as contemplated by the Plan) or further reorganization. Debtor's management asserts that, as set forth in the Budget and based upon the actions undertaken by the Debtor during the Proceedings, confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

Assuming that the Plan is otherwise confirmable, the Debtors reserve the right to seek confirmation even if one or more classes vote to reject the Plan. The Bankruptcy Code contains provisions for confirmation of a plan where at least one impaired class of claims has accepted it. These so-called "cramdown" provisions are set forth in Section 1129(b) of the Bankruptcy Code. A plan of reorganization may be confirmed under the cramdown provisions if, in addition to satisfying the usual requirements of Section 1129 of the Bankruptcy Code, it (i) does not discriminate unfairly and (ii) is fair and equitable with respect to each class of claims that is impaired under and has not accepted the plan.

In addition, the Debtors reserve the right, in order to resolve any objection to confirmation of the Plan or otherwise, to modify the Plan without further notice or disclosure, so long as the modification does not adversely change the treatment of any creditor who has not accepted the modification.

The requirement that a plan of reorganization not "discriminate unfairly" means that a dissenting class must be treated equally with respect to other classes of equal rank. The Debtors believe that their Plan does not "discriminate unfairly" with respect to any class of Claims.

#### **X. Alternatives to the Plan: Liquidation**

If the Plan is not confirmed, the only viable alternative would be a liquidation of the Debtor's assets. To calculate what creditors would receive if the Debtors were to be liquidated, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from the Debtors' assets if the Chapter 11 case were converted to a Chapter 7 case under the Bankruptcy Code and the assets were liquidated by a trustee in bankruptcy (the "Liquidation Value"). The Liquidation Value would consist of the net proceeds from the disposition of the assets of the Debtors.

The Liquidation Value available to general unsecured creditors would be reduced by (a) the Allowed Secured Claims, the unpaid prepetition priority claims, and (b) by the costs and expenses of the liquidation, as well as other administrative expenses of the Debtors' Chapter 11 and Chapter 7 estates. The Debtors' costs of liquidation under Chapter 7 would include the compensation of a trustee, as well as of counsel and of other professionals retained by the trustee; disposition expenses; all unpaid expenses incurred by the Debtors during the Chapter 11 case (such as compensation for attorneys) which are allowed in the Chapter 7 proceeding;

litigation costs; and claims arising from the operation of the Debtor's business during the pendency of the Chapter 11 reorganization and Chapter 7 liquidation cases.

The liquidation valuation of a business is often a contested issue in a Chapter 11 case. Two methods of valuation widely used are the so-called "auction" method and the "going concern" method. Using the auction approach, assets tend to be valued as though they were sold at a public auction and not in use at the time of the sale. The auction method is widely used with tangible personal property such as trucks, trailers and tractors, assets which you can touch and feel and which are easily valued as a function of the initial purchase price and subsequent depreciation from use. The latter approach, the going concern method, tends to value assets based upon its contribution to earnings. The going concern method tends to be used with assets that tend not to suffer a decline from use such as accounts of a utility, maintenance contracts and the like.

If the Plan were not confirmed, and the assets of the Debtors were liquidated, below is a chart showing the likely net value of the assets, after satisfaction of the secured claims:

**A. Fynders**

<u>Assets</u>	<u>Liquidation Value</u>
Cash	\$ 2,678.53
Inventory and supplies	\$ 7,500.00 (Valued at 50% of market value.)
Office and restaurant equipment	\$25,750.00 (Valued at 25% of market value.)
Vehicles and trailer	<u>\$ 4,887.50</u> (Valued at 25% of market value.)
Total available assets for distribution	\$40,766.03
 <u>Liabilities:</u>	
Administrative fees	\$51,000.00 (Including professional fees, net of retainers)
Secured and priority tax claims	<del>\$598,314.36</del> <u>\$570,676.12</u>
Total liabilities:	<del>\$649,314.36</del> <u>\$621,676.12</u> (excluding consideration of any obligation to secured creditors). Thus, in a liquidation

scenario, there would not be sufficient funds available for payment of all secured and priority tax claims, and clearly no funds available for distribution to general unsecured creditors.

**B. Keepers, Inc.**

Assets

Liquidation Value

Cash

\$ 411.51

Inventory and supplies

\$ 1,000.00 (Valued at 50% of market value.)

Office and restaurant  
equipment

\$ 4,500.00 (Valued at 25% of market value.)

Trailer

\$ 50.00 (Valued at 25% of market value.)

Total assets available for  
distribution

\$5,961.51

Liabilities

Secured and priority  
tax claims

~~\$ 382,476.99~~ \$266,991.99 (excluding consideration of any obligation to secured creditors.) Thus, in a liquidation scenario, there would not be sufficient funds available for payment of all secured and priority tax claims, and clearly no funds available for distribution to general unsecured creditors.

**XI. Best Interests Test**

As noted above, a liquidation of the Debtors in a Chapter 7 proceeding would likely yield no funds available for a distribution to unsecured creditors, and therefore, such creditors would receive no dividend. As general unsecured creditors will receive or retain under the Plan, on account of such claims, a dividend equal to ten percent of their claims, it is evident that such creditors will receive more under the Plan than under a liquidation. Accordingly, the Plan satisfies the best interest test under Section 1129(a)(7) of the Bankruptcy Code.

Section 1129(b)(2)(B)(ii) of the Bankruptcy Code is known as the Absolute Priority Rule. It provides that a plan cannot be confirmed if all classes of creditors do not vote in its favor, and unless the plan provides that: "the holder of any claim or interest that is junior to

the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property.” Therefore, if a debtor retains property that has some value under the plan, where creditors are not receiving payment in full, the plan could violate the Absolute Priority Rule.

In this Plan, the principal is retaining her interest in the equity of Fynders, Inc. and Keepers, Inc. However, since the businesses have no net value, they are not violating the Absolute Priority Rule.

## **XII. Feasibility**

The Plan is based on the Budget, which has been developed by the Debtors and their financial consultant. The assumptions in the budget are reasonably conservative and based upon historical cash flow patterns as well as figures generated during the course of the Debtors’ Chapter 11 proceeding. Therefore, in accordance with Section 1129(a)(11) of the Code, confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor.

## **XIII. Federal Income Tax Consequences**

It is not practicable to present a detailed explanation of the possible federal or state income tax consequences of the Plan on holders of Allowed Claims, and the Debtors express no opinion as to the tax consequences. All parties affected by the Plan are urged to seek advice from their own tax professionals. However, set forth below is a brief summary of some of the federal tax consequences of the Plan on creditors.

Implementation of the Plan may result in federal income tax consequences to holders of Allowed Claims. Tax consequences to a particular creditor may depend on the particular circumstances or facts regarding the claim of the creditor. No tax opinion has been sought or will be obtained with respect to any tax consequences of the Plan, and the following disclosure (the "Tax Disclosure") does not constitute and is not intended to constitute either a tax opinion or tax advice to any Person. Rather, the Tax Disclosure is provided for informational purposes only.

Because the Debtors intend to continue their existence and business operations, they will receive a discharge with respect to its outstanding indebtedness. Actual debt cancellation in excess of the fair market value of the consideration -- stock, cash or other property - paid in respect of such debt will hereinafter be referred to as a "Debt Discharge Amount."

In general, the Internal Revenue Code (the "IRC") provides that a taxpayer who realizes a cancellation or discharge of indebtedness must include the Debt Discharge Amount in its gross income in the taxable year of discharge. The Debt Discharge Amounts may arise with respect to Creditors who will receive, in partial satisfaction of their Claims, including any accrued interest, consideration consisting of or including cash. The Debtors’ Debt Discharge Amount may be increased to the extent that unsecured Creditors holding unscheduled claims fail to timely file a

Proof of Claim and have their Claims discharged on the Confirmation Date pursuant to Section 1141 of the Bankruptcy Code. No income from the discharge of indebtedness is realized to the extent that payment of the liability being discharged would have given rise to a deduction.

If a taxpayer is in a case under the Bankruptcy Code and a cancellation of indebtedness occurs pursuant to a confirmed plan, however, such Debt Discharge Amount is specifically excluded from gross income (the "Bankruptcy Exception"). The Debtor intends to take the position that the Bankruptcy Exception applies to it. Accordingly, the Debtor believes it will not be required to include in income any Debt Discharge Amount as a result of Plan transactions.

Section 108(b) of the IRC, however, requires certain tax attributes of the Debtors to be reduced by the Debt Discharge Amount excluded from income. Tax attributes are reduced in the following order of priority: net operating losses and net operating loss carry-overs; general business credits; minimum tax credits; capital loss carry-overs; basis of property of the taxpayer; passive activity loss or credit carry-overs; and foreign tax credit carry-overs. Tax attributes are generally reduced by one dollar for each dollar excluded from gross income, except that general tax credits, minimum tax credits, and foreign tax credits are reduced by 33.3 cents for each dollar excluded from gross income. An election can be made to alter the order of priority of attribute reduction by first applying the reduction against depreciable property held by the taxpayer in an amount not to exceed the aggregate adjusted basis of such property. The Debtors do not presently intend to make such election. If this decision were to change, the deadline for making such election is the due date (including extensions) of the Debtors' federal income tax return for the taxable year in which such debt is discharged pursuant to the Plan.

The federal tax consequences of the Plan to a hypothetical investor typical of the holders of claims or interests in this case depend to a large degree on the accounting method adopted by that hypothetical investor. A "hypothetical investor" in this case is defined as a general unsecured creditor. In accordance with federal tax law, a holder of such a claim that uses the accrual method and who has posted its original sale to the Debtors as income at the time of the product sold or the service provided hypothetically should adjust any net operating loss to reflect the dividend paid by the Debtors under the Plan provided that holder previously deducted the liability to the Debtors as a "bad debt" for federal income tax purposes. Should that holder lack a net operating loss, then in accordance with federal income tax provisions, the holder should treat the dividend paid as ordinary income, again provided the holder previously deducted the liability to the debtor as a "bad debt" for federal income tax purposes. If the accrual basis holder of the claim did not deduct the liability as a "bad debt" for federal income tax purposes, then the dividend paid by the Debtors has no current income tax implication. A holder of a claim that uses a cash method of accounting would, in accordance with federal income tax laws, treat the dividend as income at the time of receipt.

**THE DEBTORS MAKE NO REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF CONFIRMATION AND CONSUMMATION OF THE PLAN AS TO ANY CREDITOR. EACH PARTY AFFECTED BY THE PLAN SHOULD CONSULT HER, HIS OR ITS OWN TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO A CLAIM.**

#### **XIV. Disclaimers**

**THE CONTENT OF THIS PLAN AND DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AS PROVIDING ADEQUATE INFORMATION TO CREDITORS SO THAT THEY MAY HAVE SUFFICIENT INFORMATION TO VOTE ON THE PLAN. NO REPRESENTATIONS CONCERNING THE DEBTOR, INCLUDING THOSE RELATING TO THEIR FUTURE BUSINESS OPERATIONS, OR THE VALUE OF THEIR ASSETS, ANY PROPERTY, AND CREDITORS' CLAIMS, INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE OR WITHOUT OMISSIONS. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION FOR OR AGAINST THE PLAN.**

**THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED IN IT WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON HOLDERS OF CLAIMS.**

**THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THIS DATE UNLESS ANOTHER TIME IS SPECIFIED, AND NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THIS DISCLOSURE STATEMENT WILL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SINCE THE DATE OF THE DISCLOSURE STATEMENT AND THE MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT WAS COMPILED.**

#### **XV. Conclusion**

The Bankruptcy Court has determined that this Disclosure Statement contains information sufficient for holders of Claims to make an informed judgment in exercising their right to vote on the Plan. The Plan is the result of an effort by the Debtors to provide creditors with full payment of their allowed claims, and thus urges you to vote to accept the Plan.

**A BALLOT IS ENCLOSED WITH THIS PLAN AND DISCLOSURE STATEMENT. YOU SHOULD VOTE TO ACCEPT OR REJECT THE PLAN ON THAT BALLOT AND RETURN IT TO:**



David B. Madoff  
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124 Washington Street  
Foxboro, MA 02035  
508-543-0040

Respectfully submitted this 24<sup>th</sup> ~~30th~~-day of ~~October~~ November, 2017.

FYNDERS, INC.

By: /s/ Kathleen McCormick  
Kathleen McCormick, President

KEEPERS, INC.

By: /s/ Kathleen McCormick  
Kathleen McCormick, President

Filed by their attorneys,

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