

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
at Baltimore**

**In re: Case No.: 15-23503-JS
Victor Paul Doda, Jr. Chapter: 11
Debtor**

**In re: Case No.: 16-11366-JS
Anita Idoma Doda Chapter: 11
Debtor**

**Jointly Administered Under
Case No.: 15-23503-JS**

DISCLOSURE STATEMENT

I. INTRODUCTION AND SUMMARY.

This Disclosure Statement is filed pursuant to the requirements of §1125 of Title 11 of the United States Code (hereinafter the "Code"). This Disclosure Statement is intended to provide adequate information to enable holders of claims in the above-captioned bankruptcy cases (hereinafter the "Bankruptcy Cases") to make informed judgments about the Chapter 11 Plan of Reorganization, as amended (hereinafter the "Plan") (Docket No. 101), filed with the Court on October 7, 2016 by Mr. and Mrs. Victor P. Doda, Jr. (hereinafter "Mr. and Mrs. Doda" or the "Debtors-in-Possession" or the "Debtors"), which Plan has been amended, as stated in a Line Amending the Chapter 11 Plan of Reorganization (hereinafter the "Line"), which Line has been filed contemporaneously with this Disclosure Statement.

The overall purpose of the Plan is to provide for the restructuring of the Debtors' liabilities in a manner designed to maximize recoveries to all creditors. The Debtors believe that the Plan provides the best means currently available for their emergence from Chapter 11 and the best recoveries possible for holders of claims against the Debtors.

THIS DISCLOSURE STATEMENT AND ITS RELATED DOCUMENTS ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT THE PLAN. THIS INTRODUCTION AND SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE REMAINING PORTIONS OF THIS DISCLOSURE STATEMENT, AND THIS DISCLOSURE STATEMENT IN TURN IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN. THE PLAN IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND ANY HOLDER OF ANY CLAIM OR INTEREST SHOULD READ AND CONSIDER THE PLAN CAREFULLY IN LIGHT OF THIS DISCLOSURE STATEMENT IN MAKING AN INFORMED JUDGMENT ABOUT THE PLAN. IN THE EVENT OF ANY

INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS. ALL CAPITALIZED TERMS USED IN THIS DISCLOSURE STATEMENT SHALL HAVE THE DEFINITIONS ASCRIBED TO THEM IN THE PLAN UNLESS OTHERWISE DEFINED HEREIN. NO REPRESENTATION CONCERNING THE DEBTORS IS AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS MADE WHICH ARE OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON IN ARRIVING AT A DECISION ABOUT THE PLAN. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO AUDIT. FOR THAT REASON, AS WELL AS THE COMPLEXITY OF THE DEBTORS' BUSINESSES AND FINANCIAL AFFAIRS, AND THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES, AND PROJECTIONS WITH COMPLETE ACCURACY, THE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACY, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THIS DISCLOSURE STATEMENT INCLUDES FORWARD LOOKING STATEMENTS BASED LARGELY ON THE DEBTORS' CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS WHICH ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, CAUSES OF ACTION, AND OTHER ACTIONS, THE DISCLOSURE STATEMENT SHALL NOT CONSTITUTE AND SHALL NOT BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

Mr. and Mrs. Doda are debtors in possession under Chapter 11 of the Bankruptcy Code (hereinafter the "Code") in these Bankruptcy Cases pending in the United States Bankruptcy Court for the District of Maryland, Baltimore Division (hereinafter the "Bankruptcy Court").

As prescribed by the Code and the Federal Rules of Bankruptcy Procedure (hereinafter the "Rules"), Claims asserted against, and equity Interests in the Debtors' businesses are placed into "Classes." Accordingly, the Plan contemplates eighteen (18) separate Classes of Claims and one Class of Interests. The classification and treatment of Claims and Interests is discussed in detail below.

To the extent the legal, contractual, or equitable rights with respect to any Claim or Interest asserted against the Debtors are altered, modified or changed by treatment proposed under the Plan, such Claim or Interest is considered "Impaired," and the holder of such Claim or Interest is entitled to vote in favor of or against the Plan. A Ballot for voting in favor of or against the Plan (hereinafter the "Ballot") will be mailed along with the order approving the Disclosure Statement.

THE VOTE OF EACH CREDITOR OR INTEREST HOLDER WITH AN IMPAIRED CLAIM OR INTEREST IS IMPORTANT. TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE ADDRESS AND BY THE DATE SET FORTH IN THE BALLOT.

VOTING DEADLINE

The last day to vote to accept or to reject the Plan shall be set by Court Order after the Court has approved the Disclosure Statement. All votes must be received by the voting agent by 5:00 p.m. (EST) on that day. Upon receipt, the Ballots will be tabulated, and the results of the voting will be presented to the Court for its consideration. As described in detail in Section VII of the Plan, the Code prescribes certain requirements for confirmation of a plan. The Court will schedule a hearing (hereinafter the "Confirmation Hearing") to consider whether the Debtors have complied with those requirements and whether the Court should confirm the Plan.

The Code permits a court to confirm a plan even if all of the impaired Classes have not voted in favor of a plan. Confirmation of a plan over the objection of an impaired Class is sometimes called "cramdown." The Debtors hereby expressly reserve the right to seek "cramdown" in the event all of the impaired Classes do not vote in favor of the Plan.

II. DESCRIPTIONS OF MR. DODA'S BUSINESSES AND OF MRS. DODA'S EMPLOYMENT.

1. In General.

A. Mr. and Mrs. Doda's Primary Residence.

Mrs. Doda is the sole owner of the real property known as 7933 Severn Hills Way, Severn, MD 21144-1067 (hereinafter the "7933 Severn Hills Way Property"), which is the primary residence of Mr. and Mrs. Doda and their three children.

B. Mr. Doda's Primary Business and Mrs. Doda's Department of Defense Position.

For over the last thirty years, Mr. Doda has been engaged as a licensed Maryland mortician. Mr. Doda is the sole owner and the president of the Charles L. Stevens Funeral Home Inc., a Maryland funeral home corporation located in Locust Point, Baltimore City, Maryland. Mr. Doda, through the compensation which he earns from his profession as a Maryland licensed mortician and as the funeral director of the Charles L. Stevens Funeral Home Inc., generates the major portion of the income for his and Mrs. Doda's family. For over 29 years, Mrs. Doda has been employed by the United States Department of Defense. Through the salary which she earns from her position as an Accounting Analyst with the Defense Department, she generates significant income for her and Mr. Doda's family. Mrs. Doda also implements the responsibilities of wife and mother, and she supervises the care of their family's household.

C. Mr. Doda's Rental Property Business.

Mr. Doda also has been engaged in the business of rental property management in Maryland. Mr. Doda is the sole owner of two residential rental properties known as 1428 E. Fort Avenue, Baltimore, MD 21230 (the “1428 E. Fort Avenue Property”) and as 1432 E. Fort Avenue, Baltimore, MD 21230 (the “1432 E. Fort Avenue Property”) in Locust Point, Baltimore City. Mr. and Mrs. Doda are the owners as tenants by the entirety of one residential rental property known as 1430 E. Fort Avenue, Baltimore, MD 21230 (the “1430 E. Fort Avenue Property”) in Locust Point, Baltimore City. For the last few years, each of these three rental properties has been vacant, because Mr. and Mrs. Doda have not earned enough net income to maintain and manage the 3 properties.

In addition, Mr. Doda is the sole owner of the three real properties known as 1501 E. Fort Avenue, Baltimore, MD 21230 (the “1501 E. Fort Avenue Property”), and as 1503 E. Fort Avenue, Baltimore, MD 21230 (the “1503 E. Fort Avenue Property”), and as 1505 E. Fort Avenue, Baltimore, Maryland 21230 (the “1505 E. Fort Avenue Property”). Mr. Doda leases each of these 3 properties to the Charles L. Stevens Funeral Home Inc. He uses the 3 properties together to house and to operate the funeral services business of the Charles L. Stevens Funeral Home Inc. Mr. Doda also is the sole owner of the real properties known as 1340 Cooksie Street, Baltimore, MD 21230 and 1435 Latrobe Park Terrace, Baltimore, MD 21230, which properties he uses for his funeral services business.

2. Significant Developments and Events Leading to the Chapter 11 Case Filings.

A. Mr. Doda’s Unsuccessful Health Fitness Business Venture.

In 2008, Mr. Doda went into the business of operating a health fitness business in two locations, one in Odenton, Maryland, and the other in Annapolis, Maryland, both in Anne Arundel County. Mr. Doda went into the subject business together with his 2 friends Mr. Michael J. Vogel and Mr. Edward C. Saul, both of whom he had known for over 10 years. In planning their health fitness business venture, they decided that Mr. Vogel would supervise the daily operation of the business in both locations and that Mr. Saul would provide \$25,000 in working capital for the business. They also agreed that together they would apply for a \$345,000.00 loan for working capital (the “Working Capital Loan”) for the health fitness business from Hull Federal Savings Bank (“Hull Federal”). Mr. Doda agreed to provide the real property collateral for the \$345,000.00 Working Capital Loan. Hull Federal, which years later merged into Kopernik Bank, FSB (“Kopernik Bank”), approved and issued the loan in the principal amount of \$345,000.00 to Mr. Vogel, Mr. Saul, and Mr. Doda as the 3 borrowers, each of whom signed the Note, dated May 21, 2008. Each of the three borrowers also signed a Deed of Trust, dated May 21, 2008, which was recorded in the Land records of the Circuit Court for Baltimore City in Liber F.M.C. 10794, folio 265. Mr. Doda agreed to provide as the real property collateral for the Working Capital Loan his solely owned three real properties the 1501 E. Fort Avenue Property, the 1503 E. Fort Avenue Property, and the 1505 E. Fort Avenue Property. The description of the 3 properties was attached to the subject Deed of Trust. At the time of the inception of the Working Capital Loan, each of the 3 properties was free and clear of liens. Since the inception of the Working Capital Loan, each of the 3 properties has continued to be used to house and to operate the business of the Charles L. Stevens Funeral Home Inc.

On September 30, 2015, the day of the filing of Mr. Doda's Chapter 11 Petition, the balance of the Working Capital Loan owed to Kopernik Bank, into which bank Hull Federal had been merged, was \$285,963.18. For the 67 month period from 6/21/2008 through December 2013, each of Mr. Vogel and Mr. Saul owed in contribution to Mr. Doda the amount of \$62,070.81 for each of their failures to pay \$926.43 per month (one-third of the monthly \$2,779.30 principal and interest payment under the subject Promissory Note [the "Note"]) to Kopernik Bank, less each of their one-third share of the amount paid under the Note by their health fitness business operated by M&V, LLC at the Odenton, MD and at the Annapolis, MD locations. As of September 30, 2015, each of Mr. Vogel and Mr. Saul owed in contribution to Mr. Doda the amount of \$19,455.03 for each of their failures to pay \$926.43 per month (one-third of the monthly \$2,779.30 principal and interest payment under the Note) to Kopernik Bank for the 21 months of January 2014 through September 2015. During the 12 month post-Petition period of October 2015 through September 2016, each of Mr. Vogel and Mr. Saul additionally owed in contribution to Mr. Doda the amount of \$11,117.16 for each of their failures to pay \$926.43 per month to Kopernik Bank during that 12 month period in repayment of the Working Capital Loan.

In order to operate their health fitness business at the Odenton location, Mr. Vogel formed M & V, LLC, which company Mr. Vogel solely owned and managed as the company's managing member. On January 17, 2008, M & V, LLC and Odenton Shopping Center Limited Partnership ("Odenton Shopping Ctr. LP"), the owner and landlord of the shopping center located at 1103 Annapolis Road, Odenton, MD 21113, entered into an Agreement of Assignment of Lease and Agreement of Assumption of Obligations, dated and effective on January 16, 2008 (the "First Assignment of Lease"). By the First Assignment of Lease, KC FITNESS, INC., the original tenant under that corporation's April 9, 2001 Commercial Lease Agreement with Odenton Shopping Ctr. LP (the Original Lease"), assigned its rights under the Original Lease to M & V, LLC. By that First Assignment of Lease, M & V, LLC also assumed the obligations of KC FITNESS, INC. under the Original Lease from and after the January 16, 2008 Effective Date of the First Assignment of Lease. On January 16, 2008, Mr. and Mrs. Doda, and Mr. Vogel signed a Payment and Performance Guaranty, by which each of them became a guarantor of the payment and performance obligations of M & V, LLC, as the tenant assignee of the Original Lease between Odenton Shopping Ctr. LP. and KC FITNESS, INC. from and after the January 16, 2008 Effective Date of the First Assignment of Lease. Under the provisions of that Guaranty, the liability of each of Mr. and Mrs. Doda, and Mr. Vogel is co-extensive with the liability of M & V, LLC as the tenant assignee.

On August 22, 2010, Odenton Shopping Ctr. LP, as landlord, M & V, LLC, as tenant, and Mr. and Mrs. Doda and Mr. Vogel, as guarantors, signed a Second Amendment and Extension of the Original Lease, which extended the term of the Original Lease from November 30, 2013 to June 30, 2015.

On August 22, 2010, M & V, LLC, as assignor, and Odenton Spunk, LLC, as tenant assignee, and Odenton Shopping Ctr. LP, as landlord, signed a Second Agreement of Assignment of Lease and Second Assumption of Obligations (the "Second Assignment of Lease"), effective July 1, 2010, which assigned the Original Lease from M & V, LLC to Odenton Spunk, LLC, as tenant, thereby replacing M & V, LLC as tenant, under the Original Lease. Mr.

and Mrs. Doda and Mr. Vogel signed the Second Assignment of Lease as guarantors; and, in Paragraph 7 of the Second Assignment of Lease, they acknowledged that they remained liable under the provisions of their “Second Guaranty”, that is, the January 16, 2008 Payment and Performance Guaranty, by which each of them became a guarantor of the payment and performance obligations of M & V, LLC, as the tenant assignee of the Original Lease. The “First Guaranty” had been signed by Kelli Connaughton and by Gail Connaughton, who guaranteed the obligations of KC FITNESS, INC., the original tenant under the Original Lease with Odenton Shopping Ctr. LP.

Mr. Vogel and Mr. Saul verbally represented to Mr. Doda that Odenton Spunk, LLC and Odenton Shopping Ctr. LP had agreed to release and had released both Mr. and Mrs. Doda from all liability under the Original Lease, under the Second Guaranty, and under all other documents which they had signed as guarantors with respect to the subject health fitness business, in consideration for Mr. Doda’s transfer of 100% of Mr. Doda’s ownership interests in the health fitness business conducted by M & V, LLC at the Odenton Shopping Center location to Odenton Spunk, LLC.

Odenton Spunk, LLC defaulted under the Original Lease, and was unable to cure the default. As a result, on June 4, 2013, Odenton Shopping Ctr. LP commenced a civil contract action in the Circuit Court for Anne Arundel County, Maryland, in Case No. 02-C-13-178914, for breach of the Original Lease, against KC Fitness, Inc. t/a Premier Health and Fitness, Kelli Connaughton, M&V, LLC, Michael J. Vogel, Victor P. Doda, Jr., Anita I. Doda, HDFit, Incorporated t/a Odenton Spunk, LLC t/a Odenton Spunk Fitness, LLC t/a Spunk Fitness, Dianne B. Dutt, and Hans R. Dutt, Defendants. On April 30, 2014, Odenton Shopping Ctr. LP obtained in the subject civil action a default judgment against M&V, LLC, Mr. and Mrs. Doda, Mr. Michael J. Vogel, and HDFit, Incorporated t/a Odenton Spunk, LLC t/a Odenton Spunk Fitness, LLC t/a Spunk Fitness, jointly and severally, in the principal amount of \$1,167,910.96, plus pre- and post-judgment interest at the rate of 10% from November 30, 2011 until paid, costs in the amount of \$1,386.94 and reasonable attorney’s fees of \$29,347.50.

Odenton Shopping Ctr. LP’s Proof of Claim No. 5, filed on February 1, 2016, and Amended Proof of Claim No. 5-2, filed on February 9, 2016, in Mr. Doda’s Chapter 11 Case, claims a secured claim having a total amount under the subject judgment of \$1,646,701.24 as of Mr. Doda’s Petition Date. Mr. and Mrs. Doda did not receive service of the Complaint or of any other Court papers in the Anne Arundel County Circuit Court civil action and did not have their day in court in which to defend against Odenton Shopping Ctr. LP’s claim of breach of contract against them.

Mr. and Mrs. Doda are preparing to file, pursuant to the provisions of 11 U.S.C. § 522(f), a Motion to Avoid Odenton Shopping Ctr. LP’s judicial liens on each of their nine (9) real properties: the 7933 Severn Hills Way Property, the 1428 E. Fort Ave. Property, the 1430 E. Fort Ave. Property, the 1432 E. Fort Ave. Property, the 1501 E. Fort Ave. Property, the 1503 E. Fort Ave. Property, the 1505 E. Fort Ave. Property, the 1340 Cooksie Street Property, and the 1345 Latrobe Park Terrace Property. In addition, Mr. and Mrs. Doda are preparing to file an Objection to Odenton Shopping Ctr. LP’s Amended Proof of Claim No. 5-2.

In addition, Mr. and Mrs. Doda are preparing to file an Adversary Proceeding Complaint for contribution against Mr. Michael J. Vogel and against Mr. Edward C. Saul based on each of their failures to pay to Kopernik Bank their one-third shares of the \$2,779.30 monthly payment under the Working Capital Loan Deed of Trust during the period from June 21, 2008 through the present and their one-third share of the remaining principal balance of the loan, plus interest at 6% of the amounts of their unpaid one-third share of the monthly payments. The adversary complaint will allege an amount in contribution of \$375,737.47, plus interest and court costs.

B. The Necessity to File Mr. Doda's Chapter 11 Petition and to file Mrs. Doda's Chapter 13 Petition.

On September 30, 2015 ("Mr. Doda's Petition Date"), Mr. Doda filed his Chapter 11 Petition in order to obtain the Code § 362 automatic stay of the foreclosure sale of his residential rental property known as 1428 E. Fort Avenue, Baltimore, MD 21230 (the "1428 E. Fort Ave. Property"). The foreclosure sale had been scheduled by Ocwen Loan Servicing, LLC, the servicer for the secured creditor U.S. Bank N. A., as Trustee for Structured Asset Investment Loan Trust Mortgage Pass-Through Certificates, Series 2005-11. Since Mr. Doda's Petition Date, Mrs. Doda has continued in possession of her 7933 Severn Hills Way Property, the primary residence for Mr. and Mrs. Doda and their three children, and Mr and Mrs. Doda have continued in possession of their 1430 E. Fort Ave. Property, and Mr. Doda has continued in possession of his solely owned 7 real properties, specifically, the 1428 E. Fort Ave. Property, the 1432 E. Fort Ave. Property, the 1501 E. Fort Ave. Property, the 1503 E. Fort Ave. Property, the 1505 E. Fort Ave. Property, the 1340 Cooksie Street Property, and the 1345 Latrobe Park Terrace Property. and in the management of his business affairs pursuant to §§ 1107 and 1108 of the Code.

On February 7, 2016 (Mrs. Doda's Petition Date"), Mrs. Doda filed a petition for relief under Chapter 13 of the Code in order to stay a garnishment of her wages by Odenton Shopping Ctr. LP, which had obtained an April 30, 2014 Circuit Court for Anne Arundel County default judgment against her and her husband Mr. Doda in the principal amount of \$1,167,910.96. Odenton Shopping Ctr. LP filed in Mr. Doda's Chapter 11 Case its Proof of Claim No. 5 on February 1, 2016, and filed its Amended Proof of Claim No. 5-2 on February 9, 2016, each of which claims a secured claim having a total amount under the subject judgment of \$1,646,701.24 as of Mr. Doda's Petition Date. On February 23, 2016, Mrs. Doda, in Case No. 16-11366-JS, filed her Motion to Convert Chapter 13 Case to a Chapter 11 Case (Docket No. 20). On March 15, 2016, this Court issued its Order Converting Chapter 13 Case to a Case Under Chapter 11 (Docket No. 24). Since the Court's conversion Order, Mrs. Doda has continued in possession of her property, the most important asset of which is her 7933 Severn Hills Way Property, which is the primary residence of her family, which is comprised of her husband Mr. Doda, and their 3 teen-age children. Mrs. Doda also has continued with Mr. Doda in the management of their joint business affairs pursuant to §§ 1107 and 1108 of the Code.

3. Events Subsequent to the Filing of the Chapter 11 Cases.

A. The Motions For Joint Administration and Substantive Consolidation of Mr. and Mrs. Doda's Chapter 11 cases.

On May 22, 2016 and on May 23, 2016, Mr. and Mrs. Doda filed their Motions for Joint Administration and Substantive Consolidation of their Chapter 11 cases. (Docket No. 61 in Mr. Doda's Chapter 11 Case, and Docket No. 34 in Mrs. Doda's Chapter 11 Case) On May 27, 2016, the Court granted their Motions for Joint Administration. (Docket No. 64 in Mr. Doda's Chapter 11 Case and Docket No. 35 in Mrs. Doda's Chapter 11 Case). However, the Court did not grant the Motion for Substantive Consolidation of the 2 cases. Mr. and Mrs. Doda have filed with the Court their Monthly Operating reports for the 12 months of October 2015 through September 2016.

B. The Payments of Regular Monthly Mortgage Payments to Secured Creditors.

Mr. and Mrs. Doda are up to date on the deed of trust loan secured by their 7933 Severn Hills Way Property, and they have continued to make the monthly deed of trust payments required under that loan to Quicken Loans Inc., the secured lender, whose loan is secured by their primary residence, during this Chapter 11 case. Although Mr. Doda fell behind in making his post-petition monthly mortgage payments to the Class 2 Secured Creditor Kopernik Bank, Mr. Doda has entered into a payment plan with Kopernik Bank by which he will bring his payments current by October 28, 2016, and he will continue to make his monthly payments to Kopernik Bank until the balance of the mortgage loan is paid in full.

Although Mr. Doda has not been able to make post-petition adequate protection payments to Ocwen Loan Servicing, LLC, the loan servicer for each of the secured creditors, each of which is secured by the respective deed of trust lien on the respective real properties 1428, 1430 and 1432 E. Fort Avenue, Baltimore MD, Mr. Doda has obtained three contracts from a buyer who has offered to pay a fair price for each of the three 1428, 1430, and 1432 E. Fort Avenue properties. See the three Motions to Sell the subject three properties. Docket No. 71, filed on June 27, 2016, Docket No. 73, filed on June 28, 2016, and Docket No. 91, filed on September 12, 2016. The Court has granted the Motions to Sell the 1430 E. Fort Avenue property and the 1432 E. Fort Avenue property. Docket No. 78 and Docket No. 79. The Motion to Sell the 1428 E. Fort Avenue property is pending; a hearing on the Motion to Sell is scheduled for December 8, 2016 at 11A.M.

Although Mrs. Doda fell behind in making her post-petition monthly payments to the Class 11 Secured Creditor Nissan Motor Acceptance Corporation, she has brought her car loan, secured by a lien on her 2016 Nissan NV Cargo Van, up to date, and the monthly payments to that secured creditor will continue to be paid until the balance of the car loan has been paid in full. Mrs. Doda missed 4 post-Petition monthly car payments, each in the amount of \$496.41, under her car loan with the secured creditor Santander Consumer USA, Inc. (hereinafter "Santander"), which is secured by a lien on her 2008 Cadillac DTS-V8. In addition, Mr. Doda was in a serious car accident which resulted in the insurance company, which secured the car, declaring the car a total loss. Santander filed with the Court a Motion for Relief From the Stay to permit Santander to negotiate with the insurance company for the insurance proceeds. Docket No, 32, filed with the Court on May 20, 2016. Mrs. Doda has consented to the Santander

Motion; and she and Santander, by their attorneys, have signed a Consent Order, which was signed by the Court and was entered on July 26, 2016 as Docket No. 42. The Consent Order provides in pertinent part:

“ORDERED, that the automatic stay be, and it hereby is, terminated to allow Movant (Santander Consumer USA Inc.) to exercise and enforce its state law and contractual rights and remedies with regard to the vehicle subject to its purchase money security interest, namely, one 2008 Cadillac DTS, serial number 1G6KD57Y98U179281 and the insurance proceeds of said vehicle, including any GAP insurance; and it is further ORDERED, that Movant shall pay any surplus insurance proceeds to the Respondent (Mrs. Doda).

AND IT IS FURTHER ORDERED, that the Respondent having waived the application of F.R.Bankr.P. 4001(a)(3), this Order shall be enforceable on the date of its entry.”

As a result of this Consent Order, the claim of Santander Consumer USA Inc., in the original amount of \$11,106.39, stated in Proof of Claim No. 3, filed in Mrs. Doda’s Case No. 16-11366-JS (Chapter 11), on Feb. 18, 2016, which was stated as secured in the amount of \$10,100.00 and as unsecured in the amount of \$1,006.39, was resolved through the agreed application of the insurance coverages of the collateral vehicle to the payment of the claim amounts. Based on said application of the insurance coverages, the vehicle which was totally destroyed in the accident and which is the subject of the Consent Order, therefore, is not included as an asset of Mrs. Doda in the **List of Assets, Exhibit 1 to the Disclosure Statement**, a copy of which **Exhibit 1** is attached to the Disclosure Statement and is specifically incorporated in the Disclosure Statement. In addition, Santander Consumer USA Inc. no longer has a secured claim of any amount against Mrs. Doda. Therefore, Santander Consumer USA Inc.’s former secured claim is not included in Mr. and Mrs. Doda’s Chapter 11 Plan and is not included in the **List of Creditors, Exhibit 2 to the Disclosure Statement**, a copy of which **Exhibit 2** is attached to the Disclosure Statement and is specifically incorporated by reference in the Disclosure Statement.

However, on October 12, 2016, Santander Consumer USA Inc. filed with the Court in Mrs. Doda’s Case No. 16-11366-JS (Chapter 11) an Amended Proof of Claim No. 3, which states an unsecured claim in the amount of \$1,212.47, based on a Deficiency Report, at p. 4 of the Amended Proof of Claim No. 3, which report states, in pertinent part a

“ Original Proof of Claim Amount:	\$11,106.39

Total Loss Date 3/19/2016	
Customer Payments:	0.00
Physical Damage Payment:	\$ 8,839.13
Misc. payments:	\$ 1,054.79
<u>Total Amended U/S POC amount :</u>	<u>\$ 1,212.47 ”</u>

Accordingly, Santander Consumer USA Inc.’s unsecured claim in the amount of \$1,212.47 is included in Mr. and Mrs. Doda’s Chapter 11 Plan and is included in the **List of Creditors, Exhibit 2 to the Disclosure Statement**, as a Class 18 General Unsecured Claim.

C. The Goals of the Chapter 11 Plan.

Mr. and Mrs. Doda's Chapter 11 Plan provides that Mr. and Mrs. Doda will continue to pay each of the secured debts secured by their following 5 real properties: the 7933 Severn Hills Way Property, and 1501, 1503 and 1505 E. Fort Avenue, and 1340 Cooksie Street, Baltimore, Maryland 21230, until the debts are paid in full. Their Plan seeks to sell the 1428, 1430 and 1432 E. Fort Avenue Properties to a third party(ties) pursuant to the provisions of Code §363(b) and (k). The Plan also provides for the distribution of Mr. and Mrs. Doda's disposable income to pay the pre-Petition arrearages which they owe to their secured creditors and to pay the debts which they owe to their priority unsecured creditors and to their non-priority general unsecured creditors over the 5-year period of the Plan.

Mr. and Mrs. Doda's Chapter 11 Plan seeks to retain Mr. Doda's 100% ownership interest in the Charles L. Stevens Funeral Home Inc. and seeks to retain Mr. Doda's 100% ownership interest in his rental property business. Mr. and Mrs. Doda, as Debtors-in-Possession, have remained in possession of each of their assets, including Mr. Doda's ownership interest in Mr. Doda's Funeral Home Business and their ownership interests in their 9 real properties. A copy of their List of Assets is attached as **Exhibit 1** to the Disclosure Statement.

The Debtors will continue to file their monthly operating reports on a timely basis. They have filed their Monthly Operating Reports for each of the 12 months of October 2015 through September 2016. They have timely paid their quarterly payments to the Office of the United States Trustee for the fourth quarter of 2015 and for the first quarter of 2016.

III. THE PLAN

THE FOLLOWING SUMMARY IS INTENDED ONLY TO PROVIDE AN OVERVIEW OF THE DEBTORS' PLAN. ANY PARTY IN INTEREST CONSIDERING A VOTE ON THE PLAN SHOULD CAREFULLY READ THE PLAN IN ITS ENTIRETY BEFORE MAKING A DETERMINATION TO VOTE IN FAVOR OF OR AGAINST THE PLAN. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN. IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN WILL TAKE PRECEDENCE OVER THE TERMS OF THE DISCLOSURE STATEMENT.

1. Overview.

In summary, the Plan contemplates 18 classes of Claims and one class of Interests. Claims Classes 1, 2, 6, 11, 12, 14, 15, and 17, and Interests Class 19 are unimpaired within the meaning of Bankruptcy Code §1124. Pursuant to Code §1126 (f), each unimpaired Class and each holder of a claim of such Class is conclusively presumed to have accepted the Plan; and solicitation of acceptances with respect to such Class from the holders of claims of such Class is not required.

Claims Classes 3, 4, 5, 7, 8, 9, 10, 13, 16, and 18 are impaired, because the Plan seeks to alter the legal, equitable, and contractual rights to which such claims entitle the holders of such claims through the Debtors' proposed Plan. On the Effective Date of the Plan, all of the

prepetition equity in Mr. Doda's 100% ownership interests in his sole proprietorship rental property business and in Mr. Doda's 100% ownership interests in his funeral services corporation Charles L. Stevens Funeral Home Inc. shall remain in Mr. Doda's possession.

2. Classification of Claims and Interests.

A. Class 1. The Class 1 Claim shall consist of the Allowed Secured Claim of Quicken Loans, Inc. ("Quicken Loans"), which claim is secured by a first priority deed of trust lien on the real property known as 7933 Severn Hills Way, Severn, MD 21144-1067 (hereinafter the "7933 Severn Hills Way Property").

B. Class 2. The Class 2 Claim shall consist of the Allowed Secured Claim of Kopernik Bank, which claim is secured by a first priority deed of trust lien on each of the real properties known as 1501, 1503, and 1505 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the "1501, 1503 and 1505 E. Fort Avenue Properties").

C. Class 3. The Class 3 Claim shall consist of the Allowed Secured Claim of U.S. Bank N.A., as Trustee for Structured Asset Investment Loan Trust (SAIL) 2005-11 ("U.S. Bank N.A."), the loan of which creditor is serviced by Ocwen Loan Servicing, LLC ("Ocwen"), and which claim is secured by a first priority deed of trust lien on the real property known as 1428 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the "1428 E. Fort Avenue Property").

D. Class 4. The Class 4 Claim shall consist of the Allowed Secured Claim of HSBC Bank USA N.A., as Trustee under the Pooling and Servicing Agreement, dated December 1, 2006, Freemont Home Loan Trust 2006-E ("HSBC Bank USA N.A."), the loan of which creditor is serviced by Ocwen Loan Servicing, LLC ("Ocwen"), and which claim is secured by a first priority deed of trust lien on the real property known as 1430 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the "1430 E. Fort Avenue Property").

E. Class 5. The Class 5 Claim shall consist of the Allowed Secured Claim of HSBC Bank USA N.A., as Trustee under the Pooling and Servicing Agreement, dated December 1, 2006, Freemont Home Loan Trust 2006-E ("HSBC Bank USA N.A."). the loan of which creditor is serviced by Ocwen Loan Servicing, LLC ("Ocwen"), and which claim is secured by a first priority deed of trust lien on the real property known as 1432 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the "1432 E. Fort Avenue Property").

F. Class 6. The Class 6 Claim shall consist of the Allowed Secured Claim of Michael C. Baumann, Esquire ("Mr. Baumann"), which claim is secured by a first priority deed of trust lien on the real property known as 1340 Cooksie Street, Baltimore, MD 21230 (hereinafter the "1340 Cooksie Street Property").

G. Class 7. The Class 7 Claim shall consist of the Allowed Secured Claim of the Director of Finance of Baltimore City, Maryland for a real property water bill against Mr. Doda's 1428 E. Fort Avenue Property, which claim is secured by a statutory real property water bill lien on Mr. Doda's 1428 E. Fort Avenue Property.

H. Class 8. The Class 8 Claim shall consist of the Allowed Secured Claim of the Director of Finance of Baltimore City, Maryland for real property taxes assessed against Mr. and Mrs. Doda's 1430 E. Fort Avenue Property, which claim is secured by a statutory real property tax lien on Mr. and Mrs. Doda's 1430 E. Fort Avenue Property.

I. Class 9. The Class 9 Claim shall consist of the Allowed Secured Claim of the Director of Finance of Baltimore City, Maryland for real property taxes assessed against Mr. Doda's 1432 E. Fort Avenue Property, which claim is secured by a statutory real property tax lien on Mr. Doda's 1432 E. Fort Avenue Property.

J. Class 10. The Class 10 Claim shall consist of the Allowed Secured Claim of Municipal Investments, LLC ("Municipal Investments") for real property taxes paid by that creditor to the Director of Finance of Baltimore City, Maryland and for attorney's fees and expenses incurred in obtaining the Tax Sale Certificate, which certificate constitutes a statutory lien on Mr. Doda's 1340 Cooksie Street Property and thereby secures the claim of that creditor.

K. Class 11. The Class 11 Claim shall consist of the Allowed Secured Claim of Nissan Automotive Acceptance Corporation ("Nissan A.A. Corp."), which is secured by a purchase money security interest on Mrs. Doda's 2016 Nissan cargo van.

L. Class 12. The Class 12 Claim shall consist of the Allowed Secured Claim of the U.S. Government Thrift Savings Plan, which is secured by a security interest on Mrs. Doda's Thrift Savings Plan account.

M. Class 13. The Class 13 Claim shall consist of the Disputed Secured Claim of Odenton Shopping Center Limited Partnership ("Odenton Shopping Ctr. L.P.") which allegedly is secured by judicial liens on Mr. and Mrs. Doda's real properties.

N. Class 14. The Class 14 Allowed Unsecured Priority Administrative Expense Claim of the Debtors' attorney Rudolph E. DeMeo, Esq. shall consist of his Allowed Administrative Claim for reasonable attorney's fees and necessary expenses as the Debtors' attorney in this Chapter 11 case.

O. Class 15. The Class 15 Allowed Unsecured Priority Administrative Claim of the United States Trustee shall consist of the United States Trustee's Allowed Administrative Claim for Quarterly Trustee Fees as they come due until such time these Chapter 11 cases are closed, converted or dismissed.

P. Class 16. The Class 16 Allowed Unsecured Priority claim of the United States Treasury Internal Revenue Service which shall consist of the Internal Revenue Service's Allowed Unsecured Priority Claim for employment taxes under Bankruptcy Code § 507(a)(8) for which Mr. Doda is liable as an officer of the Charles L. Stevens Funeral Home Inc., the primary obligor.

Q. Class 17. The Class 17 Claims shall consist of the Allowed Unsecured Claims of each unsecured creditor who decides to reduce his, her or its unsecured claim to the amount of \$500.00 plus 10% of the balance of the subject claim.

R. Class 18. The Class 18 Claims shall consist of the Allowed Unsecured Claims of all other general unsecured creditors.

S. Class 19. The Class 19 Interests shall consist of all of Mr. Doda's equity interests in his rental property business, which he operates as a sole proprietorship, and in his funeral services business which he operates through Charles L. Stevens Funeral Home Inc.

3. Treatment of Claims and Interests.

A. Class 1. The Class 1 Allowed Secured Claim of Quicken Loans, Inc. ("Quicken Loans"), which claim is secured by a first priority deed of trust lien on the real property known as 7933 Severn Hills Way, Severn, MD 21144-1067 (hereinafter the "7933 Severn Hills Way Property"), shall be paid pursuant to the provisions of the current loan documents. **This Class 1 Allowed Secured Claim is unimpaired.**

B. Class 2. The Class 2 Allowed Secured Claim of Kopernik Bank, which claim is secured by a first priority deed of trust lien on each of the real properties known as 1501, 1503, and 1505 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the "1501, 1503 and 1505 E. Fort Avenue Properties"), shall be paid pursuant to the provisions of the current loan documents. **This Class 2 Allowed Secured Claim is unimpaired.**

C. Class 3. The Class 3 Allowed Secured Claim of U.S. Bank, N.A., as Trustee for Structured Asset Investment Loan Trust (SAIL) 2005-11 ("U.S. Bank N.A."), the loan of which creditor is serviced by Ocwen Loan Servicing, LLC ("Ocwen"), and which claim is secured by a first priority deed of trust lien on the real property known as 1428 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the "1428 E. Fort Avenue Property"), shall be paid through the sale of the 1428 E. Fort Avenue Property pursuant to the provisions of Section 363(b) and (k) of the U.S. Bankruptcy Code free and clear of liens. The Debtor listed the 1428 E. Fort Avenue Property for sale with the multiple listing service. The Debtor has obtained a signed Contract of Sale of the 1428 E. Fort Avenue Property, and on September 12, 2016, the Debtor filed a Motion to Sell the Property Free and Clear of Liens under Section 363(b) and (k) of the U.S. Bankruptcy Code. Docket No. 91, which Motion is pending before the Court. Pursuant to Section 363(k) of the U.S. Bankruptcy Code, the Class 3 secured creditor may credit bid against the contract purchaser at the sale of the subject property. **This Class 3 Allowed Secured Claim is impaired.**

D. Class 4. The Class 4 Allowed Secured Claim of HSBC Bank USA, National Association, as Trustee under the Pooling and Servicing Agreement, dated December 1, 2006, Fremont Home Loan Trust 2006-E ("HSBC Bank USA N.A."), the loan of which creditor is serviced by Ocwen Loan Servicing, LLC ("Ocwen"), and which claim is secured by a first priority deed of trust lien on the real property known as 1430 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the "1430 E. Fort Avenue Property"), shall be paid through the sale of the 1430 E. Fort Avenue Property pursuant to the provisions of Section 363(b) and (k) of the U.S.

Bankruptcy Code free and clear of liens. The Debtors listed the 1430 E. Fort Avenue Property for sale with the multiple listing service. The Debtors have obtained a signed Contract of Sale of the 1430 E. Fort Avenue Property, and the Debtors have filed a Motion to Sell the Property Free and Clear of Liens under Section 363(b) and (k) of the U.S. Bankruptcy Code, which Motion has been granted by the Court. Docket No. 78. Pursuant to Section 363(k) of the U.S. Bankruptcy Code, the Class 4 secured creditor may credit bid against the contract purchaser at the sale of the subject property. **This Class 4 Allowed Secured Claim is impaired.**

E. Class 5. The Class 5 Allowed Secured Claim of HSBC Bank USA N.A., as Trustee under the Pooling and Servicing Agreement, dated December 1, 2006, Freemont Home Loan Trust 2006-E (“HSBC Bank USA N.A.”), the loan of which creditor is serviced by Ocwen Loan Servicing, LLC (“Ocwen”), and which claim is secured by a first priority deed of trust lien on the real property known as 1432 E. Fort Avenue, Baltimore, MD 21230 (hereinafter the “1432 E. Fort Avenue Property”), shall be paid through the sale of the 1432 E. Fort Avenue Property pursuant to the provisions of Section 363(b) and (k) of the U.S. Bankruptcy Code free and clear of liens. The Debtor listed the 1432 E. Fort Avenue Property for sale with the multiple listing service. The Debtor has obtained a signed Contract of Sale of the 1432 E. Fort Avenue Property, and the Debtor has filed a Motion to Sell the Property Free and Clear of Liens under Section 363(b) and (k) of the U.S. Bankruptcy Code, which Motion has been granted by the Court. Docket No. 79. Pursuant to Section 363(k) of the U.S. Bankruptcy Code, the Class 5 secured creditor may credit bid against the contract purchaser at the sale of the subject property. **This Class 5 Allowed Secured Claim is impaired.**

F. Class 6. The Class 6 Allowed Secured Claim of Michael C. Baumann, Esquire (“Mr. Baumann”), which claim is secured by a first priority deed of trust lien on the real property known as 1340 Cooksie Street, Baltimore, MD 21230 (hereinafter the “1340 Cooksie Street Property”) shall be paid pursuant to the provisions of the current loan documents. Upon payment of the four monthly payments remaining to be paid on the subject deed of trust loan, Mr. Baumann will prepare and record a Certificate of Satisfaction of the Deed of Trust loan in the Land Records of the Circuit Court for Baltimore City. **This Class 6 Allowed Secured Claim is unimpaired.**

G. Class 7. The Class 7 Allowed Secured Claim of the Director of Finance of Baltimore City, Maryland for a real property water bill against Mr. Doda’s 1428 E. Fort Avenue Property, which claim is secured by a statutory real property water bill lien on Mr. Doda’s 1428 E. Fort Avenue Property, shall be paid at the settlement of the sale of the 1428 E. Fort Avenue Property. **This Class 7 Allowed Secured Claim is impaired.**

H. Class 8. The Class 8 Allowed Secured Claim of the Director of Finance of Baltimore City, Maryland for real property taxes assessed against Mr. and Mrs. Doda’s 1430 E. Fort Avenue Property, which claim is secured by a statutory real estate tax lien on Mr. and Mrs. Doda’s 1430 E. Fort Avenue Property, shall be paid at the settlement of the sale of the 1430 E. Fort Avenue Property. **This Class 8 Allowed Secured Claim is impaired.**

I. Class 9. The Class 9 Allowed Secured Claim of the Director of Finance of Baltimore City, Maryland for real property taxes assessed against Mr. Doda’s 1432 E. Fort Avenue

Property, which claim is secured by a statutory real estate tax lien on Mr. Doda's 1432 E. Fort Avenue Property, shall be paid at the settlement of the sale of the 1432 E. Fort Avenue property. **This Class 9 Allowed Secured Claim is impaired.**

J. Class 10. The Class 10 Allowed Secured Claim of Municipal Investments for real property taxes paid by that creditor to the Director of Finance of Baltimore City, Maryland and for attorney's fees and expenses incurred in obtaining the Tax Sale Certificate, which certificate constitutes a statutory lien on Mr. Doda's 1340 Cooksie Street Property and thereby secures the claim of that creditor, shall be paid within the 60 days immediately following the effective date of the Plan through the redemption of the subject property from the Baltimore City Tax Sale. **This Class 10 Allowed Secured Claim is impaired.**

K. Class 11. The Class 11 Allowed Secured Claim of Nissan Automotive Acceptance Corporation ("Nissan A.A. Corp."), which is secured by a purchase money security interest on the Debtor's 2016 Nissan cargo van, shall be paid pursuant to the provisions of the current loan documents. **This Class 11 Allowed Secured Claim is unimpaired.**

L. Class 12. The Class 12 Allowed Secured Claim of the U.S. Government Thrift Savings Plan, which is secured by a security interest on Mrs. Doda's Thrift Savings Plan account, shall be paid pursuant to the provisions of the current loan documents. **This Class 12 Allowed Secured Claim is unimpaired.**

M. Class 13. The Class 13 Disputed Secured Claim of Odenton Shopping Center Limited Partnership ("Odenton Shopping Ctr. L.P."), which is set forth in Proof of Claim 5, filed on 02/01/2016, and in Amended Proof of Claim 5-2, filed on 02/09/2016, is the subject of the Debtors' Objection on four grounds, first, that the claim is mischaracterized as a secured claim and should be characterized as an unsecured claim on the ground that the alleged judicial liens on Mr. and Mrs. Doda's properties, based on an Anne Arundel County Circuit Court default judgment obtained by Odenton Shopping Ctr. L.P., which judgment was recorded in the judgment records of the Circuit Court for Anne Arundel County and in the judgment records of the Circuit Court for Baltimore City, on which judicial liens Odenton Shopping Ctr. L.P. bases its secured claim, is subject to avoidance under a Motion to avoid judicial liens pursuant to 28 U.S.C. §§ 1334(b), 157(b)(2)(A), (K), (O), 11 U.S.C. §§ 522(f)(1)(A) and 522(f)(2), and Federal Rules of Bankruptcy Procedure 4003(d) and 9014, which Motion will be filed with the Court; second, that each of the original Proof of Claim and the Amended Proof of Claim does not state and does not document a complete and correct calculation of the application of the claim limitation cap of Code § 502(b)(6) to the alleged amount owed by Mr. and Mrs. Doda under the subject commercial lease pursuant to guaranties which Mr. and Mrs. Doda signed to guaranty the obligations of the primary obligor tenant under the commercial lease. *In re Lindsey*, 199 B.R. 580, 583-86 (E.D. Va. 1996), *aff'd in part, vacated in part*, 1997 WL 705435 (4th Cir. 1997); third, that each of the original Proof of Claim and the Amended Proof of Claim does not state and does not document that Odenton Shopping Ctr. L.P. made reasonable efforts to mitigate its alleged damages incurred by the failure to pay rent by Odenton Shopping Ctr. L.P.'s then commercial tenant HD FIT, Incorporated t/a Odenton Spunk, LLC t/a Odenton Spunk Fitness, LLC t/a Spunk Fitness ("HD FIT, Incorporated") during the period from the eviction, per Warrant on February 7, 2012, of the commercial tenant HD FIT, Incorporated, to the end of the

Lease term on June 30, 2015, thereby directly affecting the amount of Mr. and Mrs. Doda's liability as the guarantors of the commercial lease obligations of the tenant HD FIT, Incorporated; and fourth, that each of the original Proof of Claim and the Amended Proof of Claim does not state and does not document facts on which Odenton Shopping Ctr. L.P. relies for the determination of the factual issue whether the amount of unpaid rent due to Odenton Shopping Ctr. L.P. from the tenant HD FIT, Incorporated under the commercial lease during the period from the eviction, per Warrant on February 7, 2012, of the commercial tenant HD FIT, Incorporated, to the end of the Lease term on June 30, 2015, was reduced through the reasonable collection efforts of Odenton Shopping Ctr. L.P. by the amounts paid to Odenton Shopping Ctr. L.P. on that amount due under the commercial lease through June 30, 2015, the end of the Lease term, by the defaulting tenant HD FIT, Incorporated under the commercial lease and by the five other guarantors of the subject commercial lease obligations of the tenant HD FIT, Incorporated. **This Class 13 Disputed Secured Claim is impaired.**

N. Class 14. The Class 14 Allowed Unsecured Priority Administrative Expense Claim of the Debtors' attorney Rudolph E. DeMeo, Esq, for attorney's fees and expenses for his reasonable actual necessary services and for his necessary expenses, shall be paid in cash equal to 100% of the unpaid portion of such Allowed Administrative Expense Claim on the later of (a) the Effective Date, (b) the date that such Claim becomes an Allowed Administrative Claim, or (c) such other dates on which Mr. DeMeo may agree with the Debtors. It is estimated that the asserted Administrative Expense Claim will be approximately \$12,000.00. Mr. DeMeo was paid a \$2,000.00 attorney's fee retainer and a \$1,717.00 expense deposit for legal services related to Mr. Doda's Chapter 11 case and a \$690.00 attorney's fee retainer and a \$310 expense deposit for legal services related to Mrs. Doda's Chapter 13 case, which was converted to a case under Chapter 11. Mr. DeMeo will file a fee application for an amount of attorney's fees and reimbursement of necessary expenses for legal services which he has performed for the Debtors related to their Chapter 11 cases during the period from August 1, 2015 through the date of the filing of the fee application, which attorney's fees and reimbursement of necessary expenses are subject to the Court's approval. **This Class 14 Allowed Unsecured Priority Administrative Expense Claim is unimpaired.**

O. Class 15. The Class 15 Allowed Unsecured Priority Claim of the United States Trustee for Quarterly Trustee Fees shall be paid to the United States Trustee as they come due, until such time this case is closed, converted or dismissed. **This Class 15 Allowed Unsecured Priority Claim is unimpaired.**

P. Class 16. The Class 16 Allowed Unsecured Priority Claim of the United States Treasury Internal Revenue Service, set forth in Proof of Claim 6, filed 03/24/2016, shall be paid to the Internal Revenue Service in equal monthly payments over the Chapter 11 Plan's 5-year Plan period from the Debtors' monthly disposable income, which is projected in the 5 Year Plan Projection, **Exhibit 6** to the Disclosure Statement. **This Class 16 Allowed Unsecured Priority Claim is impaired.**

Q. Class 17. The Class 17 Allowed Unsecured Claims of each unsecured creditor who agrees to reduce his, her or its unsecured claim to the amount of \$500.00 shall be paid the agreed

amount of \$500.00 on or before the thirtieth (30th) calendar day after the Effective Date of the Plan. **These Class 17 Allowed Unsecured Claims are unimpaired.**

R. Class 18. The Class 18 Allowed Unsecured Claims of all other general unsecured creditors shall be paid on a *pro rata* basis in the form of cash through the Debtors' disposable income over the 5-year Plan period from the Debtors' monthly disposable income. Payments due under the Plan to the Class 18 general unsecured creditors shall be made on the 15th day of each month commencing with the month immediately following the month in which the Effective Date of the Plan occurs and ending on the first to occur of either the 15th day of the 60th month of the Chapter 11 Plan or on the day on which the Class 18 general unsecured creditors receive their final payments which pay their allowed unsecured claims in full. **These Class 18 Allowed Unsecured Claims are impaired.**

S. Class 19. The Class 19 Allowed Equity Interest in Mr. Doda's sole proprietorship rental property business and the Class 19 Allowed Equity Interest in Mr. Doda's funeral services business operated through the corporation Charles L. Stevens Funeral Home Inc. shall be retained 100% by Mr. Doda. **This Class 19 Allowed Equity Interests Class is unimpaired.**

4. Code §507(a)(2) Administrative Expense Claims.

Holders of all Allowed Code §507(a)(2) Administrative Expense Claims shall be paid in cash in full on the Effective Date, or, if the Claim does not become Allowed prior to the Effective Date, on the date the Allowed Amount of such Claim is determined by a Final Order of the Court. However, no provision of the Plan shall preclude the Debtors from paying any holder of an Administrative Expense Claim less than one hundred percent (100%) of his, her, or its Allowed Claim in Cash on the Effective Date provided that such Claim holder consents to different payment terms.

5. Code §507(a)(8) Priority Tax Claims.

Unless otherwise provided in this Plan, each Holder of an Allowed Code §507(a)(8) Priority Tax Claim shall be paid in regular monthly installment payments in cash over a period not to exceed five (5) years from the date of assessment at the applicable Statutory Rate, and in a manner not less favorable than the most favored non-priority unsecured claim (other than convenience class creditors paid in cash), unless the holder of the claim agrees to less favorable treatment.

6. Unexpired Leases and Executory Contracts.

Mr. Doda assumes each of the unexpired leases scheduled in Schedule G, as amended. The unexpired leases and executory contracts listed in Schedule G, as amended, filed pursuant to Rule 1007, are the only leases and executory contracts to which either Mr. Doda or Mrs. Doda has been a party on and after the filing of Mr. Doda's Chapter 11 case and the filing of Mrs. Doda's Chapter 13 case which was converted to a case under Chapter 11. Mr. Doda's Rent Roll and a copy of each of the leases are available and will be provided by him to any creditor or

other party in interest upon receipt by the Debtors' attorney of a written request from the requesting creditor or party.

7. Financial Information Relevant to Confirmation of the Plan.

The Debtors have presented financial information relevant to Confirmation of the Plan in the following named Exhibits 1 through 7 to this Disclosure Statement:

The **Debtors' List of Assets**, a copy of which is attached as **Exhibit 1** and is specifically incorporated by reference in this Disclosure Statement, lists the name of each asset of the Debtors, the asset description, the asset fair market value, the liens encumbering each asset, and the exemption amount claimed for each asset.

The **Debtors' List of Claims**, a copy of which is attached as **Exhibit 2** and is specifically incorporated by reference in this Disclosure Statement, lists the name of each of the Debtors' Secured Creditors, Unsecured Priority Creditors, and General Unsecured Creditors, the debt description, and the claim amount as of the date of the filing of Mr. Doda's Chapter 11 Petition.

The **Debtors' Pre-Petition Financial History** covering the 2 years 2014 and 2015 is set forth in the Debtors' 2014 and 2015 Income Tax Returns, copies of which are attached as **Exhibits 3 and 4** and are specifically incorporated by reference in this Disclosure Statement.

The **Debtors' Post-Petition Financial Performance** during the 12 month period 10/01/2015 through 9/30/2016 is set forth in the Debtors' Monthly Operating Reports for each of the said 12 months, a copy of a compilation of which reports is attached as **Exhibit 5** and is specifically incorporated by reference in this Disclosure Statement.

The **Debtors' Chapter 11 Five-Year Plan Projection** of the Debtors' Monthly Disposable Income for the Five Year Plan Period of January 1, 2017 through December 31, 2021, a copy of which is attached as **Exhibit 6** and is specifically incorporated by reference in this Disclosure Statement, shows the Debtors' projected monthly income and expenses, and monthly disposable income. Additional funding of the Plan will be obtained from any monetary recovery obtained from defendants in an Adversary Proceeding Complaint for Contribution, which the Debtor Mr. Doda will file against Mr. Edward C. Saul and Mr. Michael J. Vogel, as the defendants. The amount which will be claimed in the adversary complaint for contribution is \$375,737.47, plus interest and court costs. Therefore, the potential total amount which may be available to fund the Plan's payment of the secured creditors' arrearages claims, priority unsecured creditors' claims, and general unsecured creditors' claims is \$429,737.47 or more.

The **Debtors' Liquidation Analysis**, a copy of which is attached as **Exhibit 7** and is specifically incorporated by reference in this Disclosure Statement, shows that the Plan meets the Best Interests Test of *Bankruptcy Code §1129(a)(7)(A)(ii)*.

IV. This Disclosure Statement Contains Information Sufficient to Enable the Court to Make a Preliminary Judgment that the Mandatory Confirmation Provisions of 11 U.S.C. §1129(a) can be met by the Debtors' Proposed Plan.

1. Best Interests Test.

Before the Plan may be confirmed, the Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of an Allowed Claim or 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 Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors' assets were, on the Effective Date, liquidated under Chapter 7. *Code §1129(a)(7)(A)(ii)*. The Debtors believe that satisfaction of this "Best Interests test" is established by the **Liquidation Analysis**, a copy of which is attached as **Exhibit 7 to this Disclosure Statement**.

To determine what holders of Claims and Equity Interests would receive if the Debtors' assets were liquidated, the Court in the Chapter 11 case must determine how the assets of the Debtors would be liquidated and distributed in the context of a Chapter 7 liquidation case. In addition, if, in a Chapter 11 case, the Debtors owns assets which would be available to be distributed in a Chapter 7 case, the Debtors' costs of liquidation under Chapter 7 would include the fees payable to a trustee in bankruptcy and to any additional attorneys and other professionals engaged by such trustee and any unpaid expenses incurred by the Debtors during the Chapter Cases, including compensation of attorneys and accountants. The additional costs and expenses incurred by a trustee in a Chapter 7 liquidation could be substantial and could eliminate the possibility that Unsecured Creditors and holders of Equity Interests would receive any distributions in a Chapter 7 case. The foregoing types of Claims arising from Chapter 7 administration and such other Claims as may arise in Chapter 7 or result from the pending Chapter 11 Cases would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay the Claims of Unsecured Creditors. Liquidation in Chapter 7 might substantially delay the date at which Creditors would receive any Payment.

The Debtors have carefully considered the probable effects of liquidation under Chapter 7 on the ultimate proceeds available for distribution to Creditors and holders of Equity Interests, including the following:

- a. the possible costs and expenses of the Chapter 7 trustee or trustees;
- b. the probable adverse effect on recoveries by Secured Creditors under Chapter 7 due to reduced sale prices for the Debtors' real property assets caused by the forced Chapter 7 liquidation by foreclosure sales;
- c. the **Liquidation Analysis**, attached as **Exhibit 7** to this Disclosure Statement.

Based on all the facts and circumstances, and the analysis presented in the Liquidation Analysis, Exhibit 7 to the Disclosure Statement, the Plan clearly meets the Best Interests Test of Code §1129(a)(7)(A)(ii).

2. Financial Feasibility.

The Code requires, as a condition to Confirmation, that Confirmation of a plan is not likely to be followed by liquidation or by the need for additional financial reorganization of the Debtor unless the liquidation is proposed in the Plan. *Code §1129(a)(11)*.

Based on the Chapter 11 Plan's provisions and the Plan's Projected Monthly Disposable Income, the Debtors believe that the Plan is feasible and that Confirmation of the Plan is not likely to be followed by liquidation or by additional financial reorganization.

3. Potential Material Tax Consequences.

The income tax consequences to Mr. and Mrs. Doda from the sale of the 1428 E. Fort Avenue Property, the 1430 E. Fort Avenue Property, and the 1432 E. Fort Avenue Property, are that, if either of the subject properties is sold at a short sale price, there may be an amount of income from the discharge of the indebtedness with respect to each of the one loan which Mr. and Mrs. Doda owe to U.S. Bank N.A. and with respect to the two loans which Mr. and Mrs. Doda owe to HSBC Bank USA N.A., the Chapter 11 Plan Class 3, 4, and 5 Secured Creditors, respectively. In either of these 3 cases, Mr. and Mrs. Doda will obtain the benefit of Internal Revenue Code ("IRC") § 108(a)(1)(A), which excludes from gross income discharges or cancellations from indebtedness in a Title 11 bankruptcy case. However, the bankruptcy exclusion for discharged debt is available only if Mr. and Mrs. Doda reduce 7 tax attributes by the excluded amount in the order prescribed by IRC §108(b)(1) and (2)(A) through (G). Unless the taxpayer (Mr. and Mrs. Doda) elects to reduce the basis of depreciable assets, tax attributes must be reduced in the specific order prescribed by IRC §108(b)(1) and (2)(A) through (G) and Reg. § 1.108-7(a)(1)(i) through(vi) and Reg. §1.108-7(2). "By reducing these tax attributes, the taxpayer (Mr. and Mrs. Doda) reduces the tax benefits that otherwise would have been claimed in the current year and future years, effectively deferring, rather than permanently avoiding, tax." CCH Standard Federal Tax Reporter 2205-Vol. 2, P7010.03, p. 20147. Mr. and Mrs. Doda will obtain the advice of their accountant with respect to their decision whether to elect to reduce the basis of depreciable assets or to reduce tax attributes in the specific order prescribed in the IRC and in the regulations.

The income tax consequences to U.S. Bank N.A. and to HSBC Bank USA N.A., the Chapter 11 Plan Class 3, 4, and 5 Secured Creditors, respectively, include the determination by each of the secured creditors, with the advice of their accountants and, attorneys, of the amount of the bad debt deduction which each creditor may be entitled to claim. In general, Reg. § 1.166-1. Bad debts, provides in paragraph (b) that the taxpayer may select one of the 2 methods prescribed in paragraph (a) of the regulation, either to treat the bad debt as a deduction in respect of debts which become worthless in whole or in part, or as a deduction for a reasonable addition to a reserve for bad debts. Reg. §1.166-2. Evidence of worthlessness provides in paragraph (c) in pertinent part:

“(c) Bankruptcy-(1) General rule. Bankruptcy is generally an indication of the worthlessness of at least a part of an unsecured and unpreferred debt.

(2) Year of deduction. In bankruptcy cases a debt may become worthless before settlement in some instances; and in others, only when a settlement in bankruptcy has been

reached. In either case, the mere fact that bankruptcy proceedings instituted against the debtor are terminated in a later year, thereby confirming the conclusion that the debt is worthless, shall not authorize the shifting of the deduction under (IRC) section 166 to such later year.”

CONCLUSION

This Disclosure Statement has presented sufficient information which will assist Mr. and Mrs. Doda’s creditors and other parties in interest to understand the Debtors’ Plan and which will enable their creditors to make an informed judgment about the Plan and to decide whether to cast their ballots in acceptance of the Plan. The Debtors believe that the provisions of the Plan are in the best interests of each of their creditors and request that each of their creditors mark their ballots in acceptance of the Plan and transmit their ballots to the Debtors’ attorney by the date and time to be set by the Court.

Dated: October 28, 2016.

Respectfully submitted,

/s/Rudolph E. DeMeo
Rudolph E. DeMeo, Esq.
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Baltimore, Maryland 21230
Tel. No. (443) 465-4337
Fax No.: (410) 547-1010
redemeo@gmail.com
Attorney for
Mr. and Mrs. Victor P. Doda, Jr.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 28th day of October, 2016, a copy of the forgoing Debtors’ Disclosure Statement, and Exhibits 1 through 4 and 7 to the Disclosure Statement were served by CM/ECF, as indicated, or by first class mail, postage prepaid, as indicated, or by hand delivery, as indicated, on the following United States Trustee, the parties who have requested copies of all Court Notices and pleadings, and other parties in interest:

Katherine A. Levin, Esquire
Office of the United States Trustee
Via CM/ECF

Kopernik Bank, Secured Creditor
C/O Robert J. Parsons, II, Esquire
Via CM/ECF

Hugh M. (UST) Bernstein
Office of the United States Trustee

US Trustee-Baltimore
USTPRegion04.BA.ECF@USDOJ.GOV

Via CM/ECF

Odenton Shopping Center
Limited Partnership
c/o Matthew G. Summers, Esquire
BALLARD SPAHR LLP
300 East Lombard Street, 18th Floor
Baltimore, MD 21202-3268
Via CM/ECF

Santander Consumer USA Inc.
C/O Michael J. Klima, Jr., Esquire
Via CM/ECF

Ocwen Loan Servicing, LLC
Servicer for U.S. Bank N.A.,
As Trustee for Structured Asset Investment
Loan Trust Mortgage Pass-Through
Certificates, Series 2005-11
C/O Gene Jung, Esquire
Via CM/ECF

Via CM/ECF

Quicken Loans Inc.
c/o Douglas S. Rubin, Esquire
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Via CM/ECF

Nissan Motor Acceptance Corporation
C/O John P. Van Beek, Esquire
Holly A. Currier, Esquire
Via CM/ECF

Ocwen Loan Servicing, LLC
Servicer for HSBC Bank USA, N.A.,
As Trustee for Fremont Home Loan Trust
2006-E Mortgage Backed Certificates,
Series 2006-E
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