

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION – BAY CITY**

In Re:

CF BROADCASTING LLC,

Debtor(s).

Chapter 11

Case No. 16-22172-dof

Hon. Daniel S. Opperman

DEBTOR’S COMBINED CHAPTER 11 PLAN AND DISCLOSURE STATEMENT

PREAMBLE

For CF Broadcasting LLC is a Michigan Limited Liability Company, operating an radio station under the call letters WBMI in West Branch, Michigan, and the Debtor in this Chapter 11 proceeding. This matter was filed with United States Bankruptcy Court for the Eastern District of Michigan, Northern Division – Bay City, on December 14, 2016. The Debtor filed this proceeding to restructure its obligations relating to both a disputed secured claim and unsecured creditor claims.

It is the belief of the Debtor and its principals, that with proper adjustment of the secured debt relating to its operations, it may operate to produce cash flow, which will allow for reorganization for both secured and unsecured claims. However, to achieve this goal the Debtor must receive confirmation of this plan of reorganization which provides for specific forms of treatment to the various Creditors of the Estate.

This document consists of two parts the Plan and Disclosure Statement. The Chapter 11 Plan will address how the legal rights of the creditors will, be changed, and provide a road map for the treatment of those claims based on various classes throughout the life of the Plan. The Disclosure Statement provides information about the Debtor for the consideration of the creditors. Following filing, the Bankruptcy Court will determine whether the document contains the necessary information to allow creditors to make an informed decision regarding their voting rights under the proposed Chapter 11 Plan.

Creditors should not rely in any representations, statements or promises, not contained in the Chapter 11 Plan or Disclosure Statement. If any representations, conduciveness, promises or other statements are made outside of these documents should be reported to the Office of the United States Trustee immediately.

DEFINITIONS

1. “Administrative Expenses” – Shall mean any post petition obligations of the Debtor as defined by *Section 503(b)* of the Bankruptcy Code which has been allowed by the Court or any described under *Section 503(b)(1)(a)*, whether or not allowed by the Court which is not disputed.
2. “Adversary Proceeding Settlement Documents” Shall mean any orders or agreements effectuating the settlement of claims in the matter of CF Broadcasting LLC vs. Peggy R. Warner #16-2102-DOB
3. “Allowed” – Shall mean (i) with reference to any Claim, (a) any Claim against the Debtors which has been listed by CF Broadcasting LLC, (“Debtor”) as such Schedules may be amended by Debtor from time to time in accordance with *Bankruptcy Rule 1009*, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been filed, (b) any Claim Allowed hereunder, (c) any Claim which is not Disputed, (d) any Claim that is compromised, settled or otherwise resolved pursuant to a Final Order of the Bankruptcy Court or under the Plan, or (e) any Claim which, if Disputed, has been Allowed by Final Order; provided, however, that Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered.
4. “Allowed Claims” hereunder, unless otherwise specified herein or by order of the Bankruptcy Court, “Allowed Administrative Expense Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include Post-Petition Interest, punitive damages or any fine or penalty on such Administrative Expense Claim or Allowed Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted there from an amount equal to the amount of any claim which Debtor may hold or assert against the holder thereof, to the extent such claim may be set off by Debtor pursuant to *Sections 502(d)* or *553* of the Bankruptcy Code.
5. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under *Section 2075 of Title 28* of the United States Code, as amended from time to time, and any Local Rules of the Bankruptcy Court.
6. “Business Day” means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order, and the Friday after Thanksgiving.
7. “Cash” means legal tender of the United States of America or wire transfer from a domestic bank.
8. “Causes of Action” means without limitation, any and all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, whether known or unknown, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any

act or omission or other event occurring prior to the Petition Date or during the course of this bankruptcy case, including through the Effective Date, including, without limitation, all avoidance actions arising under Chapter 5 of the Bankruptcy Code.

9. “Chapter 11 Case” means the case under Chapter 11 of the Bankruptcy Code commenced by Debtor Captioned *In re: CF broadcasting LLC, #16-22172-dob*, currently pending before the Bankruptcy Court.
10. “Claim” means set forth in *Section 101(5)* of the Bankruptcy Code.
11. “Class” means a category of holders of Claims as set forth in Article III of the Plan.
12. “Collateral” means any property or interest in property of the estates of Debtor subject to a Lien to secure the payment or performance of a Claim, which Lien or other encumbrance is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable state law.
13. “Confirmation Date” means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on its Docket.
14. “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to *Section 1129* of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.
15. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to *Section 1129* of the Bankruptcy Code.
16. “Confirmed” means that the Confirmation Order has been entered on the docket of the Bankruptcy Court.
17. “Debtor” means CF Broadcasting, LLC. Otherwise listed as “Debtor” or “CF Broadcasting”.
18. “Debtor in Possession” means CF broadcasting, LLC, in its capacity as debtor in possession in the Chapter 11 Case pursuant to *Sections 1101, 1107(a)* and *1108* of the Bankruptcy Code.
19. “Disclosure Statements” means the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, as the same may be amended, supplemented or modified from time to time, and as approved by the Bankruptcy Court pursuant to *Section 1125* of the Bankruptcy Code.
20. “Disputed” means every Claim which has been or hereafter is listed in Debtor’s Schedules as unliquidated, disputed or contingent or which is not listed in the Debtor’s Schedules, or which is disputed under the Plan or as to which Debtor has interposed a timely objection and/or request for estimation in accordance with *Section 502(c)* of the Bankruptcy Code and *Bankruptcy Rule 3018*, which objection and/or request for estimation has not been withdrawn or determined by a Final Order ,and any Claim, proof of which was required to be filed by order of the Bankruptcy Court but as

- to which a proof of claim was not timely or properly filed. A Claim that is Disputed by Debtor as to its amount only, shall be deemed Allowed in the amount Debtor admits is owing, if any, and Disputed as to the excess.
21. “Effective Date” means a date that is no more than 30 days after the Confirmation Order is entered.
 22. “Entity” means shall have the meaning set forth in *Section 101(15)* of the Bankruptcy Code.
 23. “Final Order” means an order of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue, or rehearing shall have been waived in writing in form and substance satisfactory to Debtor, or, in the event that an appeal, writ of certiorari, or re-argument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been upheld by the highest court to which such order was appealed, or from which certiorari, re-argument or rehearing was sought and the time to take any further appeal, petition for certiorari or move for re-argument or rehearing shall have expired; provided, however, that the possibility that a motion under *Rule 59* or *Rule 60* of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.
 24. “First Distribution Date” means the date that is sixty (60) days after the Effective Date, or, if such date is not a Business Day, the next succeeding Business Day.
 25. “Lien” means set forth in *Section 101(37)* of the Bankruptcy Code.
 26. “Person” means shall have the meaning set forth in *Section 101(41)* of the Bankruptcy Code.
 27. “Petition Date” means December 14, 2016 the date CF Broadcasting filed his voluntary Chapter 11 petition.
 28. “Plan” means this Chapter 11 Plan of Reorganization, including, without limitation, any exhibits, supplements, appendices and schedules hereto, either in its present form or as the same may be altered, amended or modified from time to time.
 29. “Post-petition Interest” means interest, commencing on the Commencement Date, on the then outstanding principal amount of an Allowed Claim at the rate determined in accordance with applicable non-bankruptcy law, subject to the Bankruptcy Code.
 30. “Post Confirmation Loan Agreement” means the loan documents, in form and substance acceptable to The Warner Family Trust, and The Debtor which are required to be filed prior to confirmation of the Plan and entered into as a contingency for confirmation of the Plan and shall be effective upon entry of

a Final Order Confirming this Plan. The form of the Post Confirmation Loan Agreement shall be filed with the Court identified as an exhibit to this Plan, on or before the Confirmation Hearing date.

31. “Priority Claim” means any Claim of a governmental unit of the kind specified in *Sections 502(i) and 507(a)(8)* of the Bankruptcy Code.
32. “Pro Rata” means, when used with reference to a distribution of property to holders of Allowed Claims or Allowed Equity Interests in a particular Class or other specified group of Claims pursuant to Article III, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a)(i) the amount of property to be distributed on account of such Claim to (ii) the amount of such Claim is the same as the ratio of (b)(i) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims in such Class or group of Claims.
33. “Schedules” means the schedules of assets and liabilities, the lists of holders of Equity Interests and the statements of financial affairs filed by Mr. s under *Section 521* of the Bankruptcy Code and *Bankruptcy Rule 1007*, and all amendments and modifications thereto through and including the date by which objections to Claims must be filed with the Bankruptcy Court pursuant to the Plan.

I. DEBTOR’S PLAN OF REORGANIZATION

A. SUMMARY OF THE DEBTOR’S PLAN

The Debtor’s Plan Proposes to pay non-real property tax Secured Claims as valued in the Plan over one hundred twenty (120) months at 0% interest, and pay a base amount of \$3,000 or approximately 13 % of allowed unsecured claims over a period of Thirty-Six (36) months from the Effective Date as set forth below. All allowed tax claims secured by real property shall be paid in full at the statutory rate of interest over twenty-four (24)months from the Effective Date of The Plan.

CLASS 1 – ALLOWED ADMINISTRATIVE EXPENSES

Debtor’s allowed administrative expenses affectively can be categorized in three (3) separate types.

1. Claims allowed administrative priority pursuant to *Section 503(b)* of the Bankruptcy Code.
2. Allowed professional claims relating to the reorganization of the Estate, and litigation of pending adversary proceedings as allowed by *Section 326* of the Code.
3. Allowed fees payable to the Executive Office of the United States Trustee, as set forth in Section D below.

CLASS 1 – TREATMENT, UNIMPAIRED

Seven (7) days prior to the date set for hearing on the confirmation of this proposed Chapter 11 Plan, Debtor shall file a statement of outstanding fees which it believes are entitled to priority pursuant to *Section 503(b)* of the Bankruptcy Code. Said statement will constitute intent of the Debtor to pay these claims in cash within thirty (30) days of the effective date of the Plan. Any party which disputes the priority of the claims or the accuracy of the claim amount, shall file an objection to the statement within twenty (20) days of service, with the same being notice for hearing upon the Debtor's reply. The Debtor will pay the amount it believes subject to priority pursuant to the terms of the Plan pending final resolution of any *Section 503(b)* claims. If following resolution of any claims objection process, and a balance remains due and owing, the same will be paid within 30 days of any Order allowing the disputed *Section 503(b)* claim.

Professional fees shall be paid in cash within thirty (30) days following the effective date of the Chapter 11 Plan or within fifteen (15) days of an Order approving the same by this Court, whichever occurs later.

Administrative fees payable to the Executive Office of the United States Trustee shall be paid in full within thirty (30) days of confirmation to the extent that the fees are post-petition pre-confirmation fees. Otherwise, fees will be paid on a quarterly basis pursuant to the terms set forth by the Executive Office of the United States Trustee in their administrative guidelines through the completion of this Plan.

CLASS 2 – SECURED CLAIM OF THE OGEMAW COUNTY TREASURE

The Ogemaw County Treasure, is the first in time secured creditor in relation to the real property located at 1245 Gray Road, West Branch, MI., on account of real property taxes for the 2015 and 2016 tax years. While the Treasure has not filed a proof of claim the balance owing on the same was \$2,472.10 as of June 12, 2016, this amount is accruing interest at the rate of 12% per year as provided by Michigan Statute

CLASS 2 – TREATMENT, IMPAIRED

The Claim of Ogemaw County, relating to real property taxes owing on the West Branch shall receive monthly payments of \$117.00 for Twenty-Four (24) months following the Effective Date of the Plan. All liens as contemplated by Michigan Statute shall continue, pending payment of Ogemaw Counties' Claim.

CLASS 3 – SECURED CLAIM OF THE WARNER FAMILY TRUST

The Warner Family Trust, is the second in time secured creditor in relation to the real property located at 1245 Gray Road, West Branch, MI., on account of a mortgage dated November 22, 2011, and recorded at Document #3102236 Ogemaw County Records. In addition the Trust asserts a first secured interest in all non titled assets of the Debtor. The claim of security in personal property was subject to dispute as the Trust's security inserts was un-perfected as of the Petition Date. The Trust filed a claim in the amount of \$246,070.62. As of the date of Debtor's petition, the claim of The Trust is under-secured, as such the claim shall be bifurcated into secured and unsecured portions pursuant to *Section 506(a)* of The Code. For the purpose of determining the secured portion of the Trust's claim only, the property acting as security for the Trust's claim shall be assigned a value of \$200,000.

CLASS 3 – TREATMENT, IMPAIRED

The Secured claim of The Warner Family Trust, shall be paid \$200,000.00 at 0% interest over One Hundred and Twenty (120) months. The rights and obligations between The Warner Family Trust and The Debtor shall be defined by the Post Confirmation Loan Agreement. Creditor shall retain all liens, and the relationship between the parties except as modified by this Plan, shall be controlled by the terms of the Post Confirmation Loan Agreement and Adversary Proceeding Settlement Documents executed between the parties.

The Warner Family Trust shall retain its lien until the secured portion of the claim is paid in full. Any escrow accounts shall be terminated as of the petition date, and the Debtors shall be required to continue property/casualty insurance on the retained property, and remain current on all post confirmation real property taxes.

Pursuant to the Post Confirmation Loan Agreement, the unsecured portion of The Warner Family Trust's Claim shall be waved and not subject to any payment under the proposed treatment of Class 5 below.

CLASS 4 – CLAIM OF THE MICHIGAN DEPARTMENT OF TREASURY

The State of Michigan Department of Treasury holds a Claim in the amount of \$1,864.86 relating to Michigan income with-holding taxes for six quarters over 2014 to 2016. Of this amount \$1,530.45 is allowed Priority status pursuant to Section 503(a)(8) of The Bankruptcy Code.

CLASS 4 – TREATMENT, IMPAIRED

The Michigan Department of Treasury shall receive payment on its secured Claim in the

amount of \$1,530.45 with interest at the rate of 4.4% over thirty-six (36) months from the Effective Date via payments of \$45.44 per month. The unsecured portion of the Claim shall be treated under Class 6.

CLASS 5 – SECURED CLAIM OF THE STATE OF MICHIGAN UNEMPLOYMENT
INSURANCE AGENCY

The State of Michigan Unemployment Insurance Agency asserts a Claim in the amount of \$996.32 relating to unpaid unemployment insurance taxes for several quarters over the years 2014 to 2016. The entire balance is allowed Priority status pursuant to Section 503(a)(8) of The Bankruptcy Code.

CLASS 5 - TREATMENT, IMPAIRED

The State of Michigan Unemployment Insurance Agency shall be paid its Priority Claim in full, with interest at the rate of 0%, via monthly payments in the amount of \$27.68 over thirty-six (36) months from the Effective Date of the Plan.

CLASS 6 – GENERAL UNSECURED

General unsecured claims consist of claims filed by creditors of the Debtors as well as deficiency claim of the Warner Family Trust . As of the date of this document Class 6 claims, held by creditors other than the Warner Trust total \$22,821.61, excluding the disputed contingent and un-liquidated claims addressed below.

All claims Scheduled by the Debtor's as Contingent Unliquidated or Disputed, must timely file a Proof of claim to receive distribution under the plan. Failure to file a proof of claim within the time allowed will result in no distribution from the Estate. Confirmation of this plan does not provide for the allowance or payment of any individual claim. The Debtor reserves the right to object to any claim.

CLASS 6 – TREATMENT, IMPAIRED

General unsecured creditors shall be paid an estimated of 13% of their claims via a base amount of \$3,000.00, over a thirty-six (36) month period in twice yearly payments beginning one hundred and eighty (180) days from the Effective Date of the Plan.

CLASS 7 – EQUITY POSITION OF DEBTORS PRINCIPAL'S

There equity position of Debtor's principals shall be preserved by payment of \$1,000.00 by both Charles Cobb, and Michael Fleming to the Plan, in monthly payments of \$50.00

commencing ninety (90) days from the Effective Date of the Plan.

BEST INTEREST OF CREDITORS TEST

Under the Bankruptcy Code, *11 U.S.C. §1129(a)(7)(A)*, in essence, creditors must receive not less under the Plan than they would in a Chapter 7 Liquidation. It is clear from the liquidation analysis that creditors will receive as much under the Plan than they would receive as a result of the liquidation of the Debtor. Therefore, the Debtor believe that acceptance of the Plan is in the best interest of the Creditors. Therefore, the Debtor believes that acceptance of the Plan is in the best interest of the Creditors.

The Debtor believes that the Plan meets the requirements of *Section 1129(b)(2)(A)*, should any impaired class holding a secured claim vote to reject the Plan. Under the Bankruptcy Code, *11 U.S.C. §1129(b)(2)(B)*, in essence, if the Bankruptcy Court finds that the class of unsecured claims votes against the Plan, the Plan may still be confirmed by the Bankruptcy Court if an interest junior to that class receives nothing on account of such junior interest.

If the Plan has been accepted by at least one impaired class, then the Plan may be confirmed, even if it is not accepted by another impaired class, if the Bankruptcy Court finds that the Plan does not discriminate unfairly against and is fair and equitable to such class. This provisions is set forth in *Section 1129(b)* of the Code and requires that the Creditors in the impaired class must either receive the allowed amount of their claim or, other than with respect to secured claims, if they receive less, no class with junior liquidation priority may receive anything on account of such junior claim or interest.

B. TITLE TO PROPERTY RESERVATION OF RIGHTS

Title to the property of the Debtor shall reinvest in the Debtor upon the Effective Date of The Plan. From and after that date, individually shall be discharged from their status, as “Debtor”, and their affairs and business shall be thereafter conducted by said Debtor, without Court supervision. Debtor reserves the right to institute litigation or pursue claims (or rights in an administrative or appellate proceeding) arising pre-petition/pre-confirmation or post confirmation. The aforementioned reservation of claims should not be construed to limit any potential causes of action arising pre-petition/pre-confirmation, which Debtors may bring post confirmation against the listed parties, or any other party.

C. UNITED STATES TRUSTEE

Debtor agree to pay to the United States Trustee the appropriate sum required pursuant to *28 U.S.C. Section 1930 (a)(6)* within ten (10) days of entry of the Order of Confirmation and

simultaneously to provide the United States Trustee with an appropriate affidavit indicating the cash disbursements for the relevant period.

After confirmation, and until the Case is closed by the Court, Debtor and the Reorganized Debtor shall pay all post-confirmation fees on all disbursements of the Debtors and Reorganized Debtor, and shall follow all procedures of the United States Trustee for reporting and tracking such disbursements.

D. OBJECTION TO CLAIMS

Debtor may object to the allowance of any Claims filed herein, or request the Court to reconsider any Claim heretofore and hereafter filed herein within sixty (60) days after the Effective Date. In the event that any claims are filed after the Confirmation Date, the Debtor shall have until the later of either (a) sixty (60) days from the date of service upon the Debtor's counsel, David R. Shook, Attorney at Law, PLLC., and the Debtor, whichever is later, or (b) sixty (60) days after the Effective Date, to file an objection to those post-confirmation claims.

E. EFFECTIVE DATE OF THE PLAN

The effective date of this plan shall be September 1, 2017 or thirty (30) days after entry of an order Confirming Plan, whichever shall occur later. For projection purposes, September 1, 2017 has been used as the effective date.

F. PAYMENT COMMENCEMENT

All payments due hereunder, unless otherwise stated, shall commence sixty (60) days after the Effective Date.

G. PROVISION OF 11 U.S.C. 1129(a)(13)

Debtor has no retiree benefit plan, which must comport to *11 U.S.C. 1129(a)(13)*.

II. DESCRIPTION OF THE DEBTOR

Debtor is a Limited Liability Company, which owns and operates WBMI 105.1 FM a "Classic Country" radio station in West Branch Michigan. In addition to music Debtor's operations include the broadcasting of local high school football and basketball games. These are the most valuable portion of Debtor's operations, increase coverage of these events along with an increase in advertising rates for the same, is expected to increase revenue over the life of the Chapter 11 Plan.

Income from Debtor's operations is as follows for the three years pre petition.

2013	\$157,606.90
2014	\$181,436.40
2015	\$162,056.28

2016(11 months) \$148,917.68

- A. Debtor's format of "classic country" music is popular within its broadcasting area, as such there is no expectation that the same will be changed following confirmation of the Plan.
- B. Charles Cobb and Michael Fleming are the Debtors principals, each holding 50% of the Membership interest of the Debtor. Both are involved in the day to day management of the Debtor's business affairs, including sales of advertising and broadcasting.
- C. While monthly advertising income has remained flat the adjustment in the secured claims of creditors reflected in the Chapter 11 Plan, along with expected increase of high school sports rates, allows the Debtor's operations to provide the necessary income to fund the Chapter 11 Plan.
- D. The income spike in 2014 (+ 8% over the average) was the result of one time purchases of a client who expanded into the Debtor's market and has not and is not expected to occur during the Plan term.
- E. Exhibit A evidences the performance of the Debtor for the three years leading to the Petition Date.

A. POST-PETITION EVENTS OF SIGNIFICANCE

- A. There are no post-petition transfers outside the ordinary course of business to disclose of at this time.
- B. Debtor has received no post-petition financing of any sort. Nor has adequate protection been requested or paid to any creditor. It is expected there will be some post confirmation adequate protection paid to the Warner Family Trust, in the time period between the settlement of claims in the Adversary Proceeding and confirmation of the Plan. This will only be subject to the Post Confirmation Loan Agreement, Adversary Proceeding Settlement Documents and further order of the Court.
- C. Resolution of the litigation with the Warner Family Trust has allowed Debtor to reduce the amount necessary to service its secured debt from 29% of gross revenue to approximately 13%, the reduction in the amount necessary to service debt will allow investment in the physical plant, and assure payment of future operating expenses.

B. DEBTOR'S ASSETS AND LIABILITIES

A. Liquidation Analysis:

See Attached Ex B To This Document.

B. Risks Conditions and Assumptions Regarding Liquidation:

Given current conditions in the small market radio industry, the chance of a successful sale as an ongoing concern are very slight. The potential value to be realized upon liquidation of the Debtor's personal property is subject to the ability to find a potential purchaser for the only asset of any value, Debtor's FCC license. Given the limited market and value, there is a substantial probability that the Warner Family Trust would obtain 100% of the proceeds of liquidation, for the property, resulting in a substantial deficiency claim. Likewise the Liquidation Analysis shows as of the petition date Debtor had a minimal amount of personal property, other than the FCC License. Debtor contends Chapter 7 liquidation would provide very little benefit to any class of creditors.

Allowing for the associated administrative expenses and the un-certainty of the market for the FCC License the proposed Chapter 11 Plan clearly provides a more favorable outcome to both Secured and Unsecured creditors of the Estate.

C. Potential Claims of The Estate and Causes of Action:

The Debtor shall retain this cause of action pursuant to *Section C* as set forth above, and upon further review determine the value of moving forward with the same.

D. Priority Unsecured Debt and Administrative Expenses:

Professional fees, include those payable to Counsel are estimated to be between \$10,000.00 to \$15,000.00 dollars. Fees payable to the United States Trustee's office are estimated at \$375.00 per quarter.

E. Non-priority Unsecured Claims:

Non-priority unsecured claims where scheduled at \$33,500.00. In addition the claim of Class 3 claim of the Warner Family Trust is under secured, by in excess of \$46,000.00. As of the date of this Plan creditors had filed only \$22,821.61 in claims against the Estate.

F. Debt Subject to Guarantee or Co-makers:

The Claim The Warner Family Trust, is personally guaranteed by Charles Cobb, and David Fleming, who are Members, of the Debtor's as part of the settlement between Debtor and The Trust, their liability is both revised and limited. In addition they retain several affirmative defenses to the Trust's claims.

C. DETAILS REGARDING IMPLEMENTATION OF THE PLAN

A. Debtor's Financial Summary from December 16, 2016:

Attached as Exhibit C is Debtor's Financial Summary for the post-petition period of December 16, 2016 to April 31, 2017.

Debtor's Post-Petition Financial Performance:

In addition to Exhibit C the Debtor has prepared Operating Reports for all months following the petition, which have

been filed with the United States Bankruptcy Court and are available from the Court or Debtor's counsel upon request. The Operating Reports provided a summary of the business expenses, as well as the income from advertising sales in the period immediately following the Chapter 11 Petition.

B. Projection of Debtor's Revenue and Expenses:

Projections of Debtor's revenues and expenses for the first Thirty-Six (36) months of Plan period are attached as Exhibit D. The documents are an estimation of Debtor's revenues and expenses for the Plan period. These projections chart the anticipated operations of for the remainder of 2017 through 2020, and shows Debtor's estimated income while under the protection of the Bankruptcy Court.

Tax Consequences or the Reorganization:

Debtor is seeking forgiveness of debt as part of the proposed Plan. Neither Debtor nor its professionals make any representations as to the tax effects of The Plan on any creditor or class of creditors. The parties are advised to seek the advice of competent tax counsel as part of the review of the Disclosure Statement and Plan.

D. LEGAL REQUIREMENTS:

A. Voting Procedures:

Under the Bankruptcy Code, the only classes that are entitled to vote to accept or reject a Plan are classes of claims, or equity interest, that are impaired under the Plan. Accordingly, classes of claims or interests that are not impaired are not entitled to vote on the Plan.

Creditors that hold Claims in more than one impaired class are entitled to vote separately in each class. Such a creditor will receive a separate ballot for all of his Claims in each class (in accordance with the records of the Clerk of the Court) and should complete and sign each ballot separately. A creditor who asserts a Claim in more than one class and who has not been provided with sufficient ballots may photocopy the ballot received and file multiple ballots.

Votes on the Plan will be counted only with respect to Claims: (a) that are listed on the Debtor's Schedule of Assets and Liabilities other than as disputed, contingent or un-liquidated; or (b) for which a proof of Claim was filed on or before the bar date set by the Court for the filing of proofs of Claim (except for certain Claims expressly excluded from that bar date or which are allowed by Court order). However, any vote by a holder of a Claim will not be counted if such Claim has been disallowed or is the subject of an unresolved objection, absent an order of the Court allowing such Claim for voting purposes pursuant to *11 U.S.C. §502* and Bankruptcy Rule 3018.

Voting on the Plan by each holder of a Claim or interest in an impaired class is important. After carefully reviewing the plan and disclosure statement, each holder of such a Claim or interest should vote on the ballot either to accept or to reject the Plan, and then return the ballot by mail to the debtor's attorney by the deadline previously established by the Court.

Any ballot that does not appropriately indicate acceptance or rejection of the Plan will not be counted.

A ballot that is not received by the deadline will not be counted.

If a ballot is damaged, lost or missing, a replacement ballot may be obtained by sending a written request to the Debtor's attorney.

B. Acceptance:

The Bankruptcy Code defines acceptance of a Plan by an impaired class of Claims as acceptance by the holder of at least two-thirds in dollar amount and more than one-half in number, of the Claims of that class which actually cash ballots. The Bankruptcy Code defines acceptance of a Plan by an impaired class of equity interests as acceptance by holders of at least two-thirds in number of the equity interests of that class that actually cast ballots. If no creditor or interest holder in an impaired class votes, then the class has not accepted the Plan.

C. Confirmation:

11 U.S.C. §1129(a) establishes conditions for the confirmation of a Plan. These conditions are too numerous and detailed to be fully explained here. Parties are encouraged to seek independent legal counsel to answer any questions concerning the Chapter 11 process.

Among the several conditions for confirmation of a plan under *11 U.S.C. §1129(a)* are these

1. After carefully reviewing the Plan and Disclosure Statement, each holder of 1. Each class of impaired creditors and interest must accept the Plan, as described in Section B above.
2. Either each holder of a Claim or interest in a class must accept the Plan, or The Plan must provide at least as much value as would be received upon liquidation under Chapter 7 of the Bankruptcy Code.

D. Modification:

The Debtor reserves the right to modify or withdraw the Plan at any time before Confirmation.

E. Effect of Confirmation:

If the plan is confirmed by the Court:

1. Its terms are binding on the debtor, all creditors, shareholders and other parties in interest, regardless of whether they have accepted the plan.
2. Except as provided in the plan:
 - (a) In the case of a corporation that is reorganizing and continuing business:
 - (1) All claims and interests will be discharged.
 - (2) Creditors and shareholders will be prohibited from asserting their claims against or interest in the debtor or its assets.
 - (b) In the case of a corporation that is liquidating and not continuing its business:
 - (1) Claims and interests will not be discharged.
 - (2) Creditors and shareholders will not be prohibited from asserting their claims against or interests in the debtor or its assets.
 - (c) In the case of an individual or husband and wife:

- (1) Claims will be discharged, except as provided in 11 U.S.C. §§ 523 and 727(a).
- (2) Creditors will be prohibited from asserting their claims except as to those debts

which are not discharged or dischargeable under 11 U.S.C. §§ 523 and 727(a).

See Part II-A of this Disclosure Statement to determine which of the above paragraphs applies in this case.

Respectfully submitted by:
David R. Shook,
Attorney for Debtor In Possession,

Dated: June 12, 2017

/s/ David R. Shook 06/12/2017
David R. Shook, (P48667)
Attorney at Law, PLLC
6480 Citation Drive
Clarkston, MI 48346
Ph: 248-625-6600
ecf@davidshooklaw.com

Dated: June 12, 2017

/s/ Charles Cobb 06/12/2017
For CF Broadcasting LLC,
Debtor In Possession
By Charles Cobb, it's Member