

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – FLINT**

In re:	Case No. 16-31379-dof
LJD Limited Partnership,	Chapter 11
Debtor.	Hon. Daniel S. Opperman

**AMENDED CHAPTER 11 COMBINED PLAN AND DISCLOSURE STATEMENT
OF DEBTOR LJD LIMITED PARTNERSHIP**

I. The Plan of Reorganization.

This is a relatively simple matter. Debtor's assets consist of four parcels of real estate, two in Montana and two in Michigan. Debtor has four creditors. There is one secured creditor, namely, Stockman Bank of Montana which holds as its security the two Montana parcels. Two of the creditors are taxing authorities one of which is located in Montana and the other in Genoa Township, Livingston County, Michigan. The last creditor is a homeowners association in Montana which is owed a relatively small sum for association fees. Debtor proposes to pay the taxing authorities and homeowners association, in full, including any penalties and interest, on or before January 1, 2017. This would be accomplished through a cash contribution to Debtor from the Trustee of Debtor's general partner. The Trustee of Debtor's general partner is the majority owner of a business entity known as Freight Verify, Inc. and holds voting control of corporate matters. Freight Verify, Inc. is a Delaware corporation which is headquartered in Ann Arbor, Michigan. The closing of a multi-million dollar contract between Freight Verify and one of its Big Three automotive clients is imminent. The closing of this contract will enable the Trustee of Debtor's general partner to make a cash contribution to Debtor sufficient to satisfy the claims of the taxing authorities and homeowners association and administrative expenses in full.

The plan will be effective immediately upon the date of entry of the confirmation order (the "Effective Date"). The claim of Stockman Bank of Montana ("Stockman") will not be discharged and will be allowed as a secured claim in the amount of \$1,010,651.16 as of June 9, 2016 (the "Petition Date"). From and after the Petition Date, Stockman's claim continues to accrue interest at the contract rate of 5%, plus attorneys' fees and expenses, all of which will constitute part of Stockman's allowed secured claim. Stockman's claim is secured by a first deed of trust (the "Deed of Trust") encumbering certain real property commonly known as 139 Wintergreen Lane, Bozeman, Montana (the "Wintergreen Property") and 3462 Bear Canyon Road, Bozeman, Montana (the "Bear Canyon Property"). Stockman will retain its Deed of Trust to secure its allowed claim. All rights and protections afforded to Stockman under its loan documents will continue after the Effective Date. Debtor will continue to maintain at all times property insurance on the Wintergreen Property and Bear Canyon Property that is in compliance with the Stockman loan documents and that names Stockman as mortgagee.

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In the event that the allowed claim of Stockman is not paid in full in cash by Debtor by January 31, 2017, then by no later than January 31, 2017, Debtor will list the Wintergreen Property for sale with a real estate broker selected by Debtor from a list of five brokers approved by Stockman. Immediately upon closing of the sale of the Wintergreen Property, Stockman's allowed claim will be paid in full out of the sale proceeds. Upon payment in full of the allowed claim of Stockman, Stockman will release its Deed of Trust. Absent further written consent of Stockman, the Wintergreen Property may not be sold unless the allowed claim of Stockman is paid in full in cash at the time of closing of the sale.

In the event that the allowed claim of Stockman is not paid in full in cash by April 15, 2017 (the "Deadline"), then Stockman may file a notice with the Bankruptcy Court indicating that its claim has not been paid in full by the Deadline (the "Non-Payment Notice"). Upon filing of the Non-Payment Notice, the Court will enter an order converting this case to Chapter 7.

Stockman's claim against Debtor is guaranteed by Lorne J. Darnell, the Lorne J. Darnell Revocable Trust, Jeanne M. Darnell, the Jeanne M. Darnell Revocable Trust and the Lorne J. and Jeanne M. Darnell Irrevocable Trust (collectively, "Guarantors"). Effective upon the Effective Date, Debtor and Guarantors, in every capacity, hereby waive, discharge and forever release Stockman, Stockman's employees, officers, directors, attorneys, stockholders, affiliates and successors and assigns, from and of any and all claims, causes of action, defenses, counterclaims or offsets and/or allegations Debtor or Guarantors, or any one or more of them, may have or may have made or which are based on facts or circumstances arising at any time up through and including the Effective Date, whether known or unknown, against any or all of Stockman, Stockman's employees, officers, directors, attorneys, stockholders, affiliates and successors and assigns. Guarantors have executed a consent to the terms of this plan below.

II. Description of the Debtor.

A. The Debtor is a Michigan limited partnership established in September 2004. The general partner is Lorne J. Darnell, not individually but as Trustee of the Lorne J. Darnell Revised Agreement. The partnership interest of the general partner is one (1%) percent. Lorne J. Darnell, not individually, but as Trustee of the Lorne J. Darnell Revised Agreement is also a limited partner with a partnership interest of forty nine (49%) percent. The other limited partner is Jeanne M. Darnell, not individually, but as Trustee of the Jeanne M. Darnell Agreement of Trust with a partnership interest of fifty (50%) percent. Lorne J. Darnell and Jeanne M. Darnell are husband and wife. The Debtor is reorganizing and continuing its business of owning and managing its real property.

B. Description of Principal.

1. Lorne J. Darnell, Trustee of Debtor's general partner, is 67 years old and is an experienced businessman. He has owned, managed and sold several business entities. These business entities have been primarily engaged in the fields of logistics, real estate development and software technology. Mr. Darnell has received no remuneration from Debtor. Mr. Darnell is Trustee of Debtor's general partner.

C. Debtors Business.

Debtors business is to own and manage the real property owned by the partnership which would qualify Debtor as a real estate holding partnership. The cause of Debtors Chapter 11 filing was its inability to meet the balloon payment due the secured creditor and the other obligations of the partnership. This inability, in turn, was due to the fact that Mr. Darnell had invested all of his available capital in other business ventures, particularly Freight Verify, Inc.

III. **Post-petition events of significance.**

A. Post-petition transfers outside the ordinary course of business. As disclosed in Debtors monthly operating statement filed on September 22, 2016, Mr. Darnell made withdrawals from Debtors bank account totaling \$3,700.00. These funds were replaced in full by a Partner Deposit in the amount of \$8,000.00 made on September 20, 2016.

B. Summary of cash collateral. There is currently on deposit in Debtor's bank account the sum of \$9,379.39. This is Debtor's only bank account and the depository is Huntington Bank, 49900 Grand River, Wixom, Michigan and bears account 01382522797. There is no post-petition financing or adequate protection orders in place.

C. Litigation. There is no litigation involving Debtor pending in any Court.

IV. A. Liquidation analysis.

I. Valuation of Assets and Amount of Secured Claim as of October 1, 2016

Assets and Collateral	Creditor Holding Lien	Market Value & Forced Sale Value	Amount of Secured Claim	Equity
1. Real Estate 139 Wintergreen Lane Bozeman, MT	Stockman Bank	\$1,800,000 (M) \$1,026,000(FS)	\$1,026,000	\$774,000(M) \$0 (FS)
2. Real Estate 3462 Bear Canyon Bozeman, MT	Stockman Bank*	\$605,000(M) \$300,000(FS)	\$1,026,000*	\$605,000(M) \$300,000(FS)
3. Real Estate 828 Maplewood Brighton, MI	None	\$210,000(M) \$105,000(FS)	0	\$210,000(M) \$105,000(FS)

4578 Golfview Brighton, MI	\$137,500(FS)	\$137,500(FS)
5. Cash	\$9,379.00(M) \$9,379.00(FS)	\$9,379.00(M) \$9,379.00(FS)

*This is a single debt owing to Stockman Bank. It is secured by liens on both Montana properties. Debtor assumes that this secured debt would be satisfied in full and discharged through the liquidation of 139 Wintergreen Lane, Bozeman, MT.

Total Equity if fair market value used = \$1,873,379.00
Total Equity if forced sale value used = \$551,879.00

B. The stated values are based upon estimates and assumptions made by Debtor taking into account in the case of 139 Wintergreen Lane, Bozeman, Montana, property tax records and a comparative market analysis; in the case of 3462 Bear Canyon Road, Bozeman, Montana, property tax records; and, in the case of the two Michigan properties, SEV valuations.

C. Debtor has no potential claims or causes of action.

D. The Guarantors are liable with the Debtor on the debt owed to Stockman. The nature of the debt is a Deed of Trust (Mortgage) obligation. The original amount of the debt was \$1,002,114.60. The balance due is approximately \$1,026,000.00. The collateral securing the debt is 139 Wintergreen Lane, Bozeman, Montana and 3462 Bear Canton Road, Bozeman, Montana. The fair market value of such collateral is estimated at \$2,405,000.00.

II. Proceeds of Assets

The estimated liquidation amount for all of Debtor's real estate if sold for market value is \$2,890,000. The liquidation value of cash on hand is \$9,379.00. Total: \$2,899,379.00.

III. Claims

(a) Secured Claims

\$1,026,000.00

(b) Administrative Expenses

United States Trustee Fees	\$6,825.00
Debtor's Attorneys	\$25,000.00
Debtor's Financial Advisors and Accountants	\$10,000.00

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United States Trustee Fees	\$6,825.00
Debtor's Attorneys	\$25,000.00
Debtor's Financial Advisors and Accountants	\$10,000.00
Appraiser and other professionals	\$0.00
Unsecured Creditors' Committee/Counsel	\$0.00
Post-petition Trade Payables	\$0.00
Post-petition Rent Payable	\$0.00
Post-petition Accrued Payroll	\$0.00
Post-petition Taxes Payable	\$13,263.00
Other	\$0.00
Total	\$55,088.00

(c) Pre-petition Unsecured Priority Claims

Priority Tax Claims Consisting of:

Gallatin County (MT) Treasurer \$18,282.57
Genoa Township (MI) Treasurer \$4,690.19

Total \$22,972.76

(d) Total Secured, Administrative and Pre-Petition Priority Claims - \$1,104,060.76

IV. Distribution of Proceeds of Assets in the Event of Liquidation

(a) Gross Proceeds Available from Liquidation of Assets \$2,899,379.00

(b) Less Total of:

Secured Claims	\$1,026,000.00
Administrative Expenses	\$55,088.00
Pre-petition Unsecured Priority Claims	\$22,972.76

Total \$1,104,060.76

(c) Net Proceeds

Proceeds Available to Pre-petition Unsecured Creditors (all of which total \$600.00)	Total	\$1,795,318.24
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V. Implementation of the plan.

- A.
 1. All pre-petition payments made by Debtor since its inception were financed by way of cash contributions financed from the Trustee of Debtor's general partner.
 2. All post-petition payments made by the Debtor were financed through cash contributions made by the Trustee of Debtor's general partner.
 3. Debtor projects that all of Debtor's obligations will be paid in full by January 31, 2017 through a cash contribution from the Trustee of Debtor's general partner which will be obtained from his business entity Freight Verify, Inc. If not, 139 Wintergreen Lane, Bozeman, Montana and any other assets of Debtor, if necessary, will be sold to satisfy Debtor's obligations.
- B. Lorne J. Darnell, Trustee of Debtor's general partner will be in charge and will receive no compensation.
- C. If the plan is confirmed and 139 Wintergreen Lane or any other assets of Debtor must be sold, Debtor will be responsible for the payment of any taxes incurred due to any increases in value of assets over the cost of acquisition and improvements.

VI. 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 its 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 Schedules of Assets and Liabilities other than as disputed, contingent or unliquidated; 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.

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 enclosed 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 denies acceptance of a plan by an impaired class of claims as acceptance by the holders of at least two thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast 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 that 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. Each class of impaired creditors and interest must accept the plan, as described in paragraph VI.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.

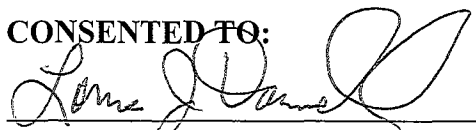
F. Discharge (applicable to individual debtors only)

The Debtors herein will not receive a discharge until all payments have been made under the Plan in accordance with 11 U.S.C. 1141(d)(5). It is the usual practice of the court to close Chapter 11 cases after confirmation, then the debtor files a motion to reopen the case for entry of discharge upon completion of plan payments.

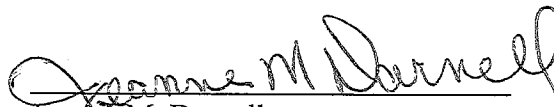
Dated: November 11, 2016


Lorne J. Darnell, Trustee
General Partner
LJD Limited Partnership

Dated: November 11, 2016


CONSENTED TO:

Lorne J. Darnell

Dated: November 11, 2016


Jeanne M. Darnell

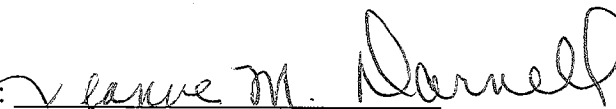
LORNE J. DARNELL REVOCABLE TRUST

Dated: November 11, 2016

By: 
Lorne J. Darnell, its Trustee

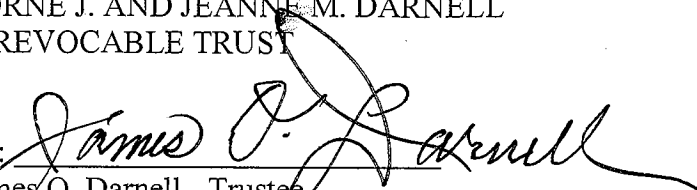
JEANNE M. DARNELL REVOCABLE TRUST

Dated: November 11, 2016

By: 
Jeanne M. Darnell, its Trustee

LORNE J. AND JEANNE M. DARNELL
IRREVOCABLE TRUST

Dated: November 11, 2016

By: 
James O. Darnell - Trustee

Checklist for Preliminary Approval of Fast Track Plan & Disclosure

S = Satisfactory
U = Unsatisfactory

Case Name/Number: 16-31379-dof
Date Reviewed: _____

Plan of Reorganization

Description of Debtor

Nature (Individual/Partnership/Corporatio
Principals' Backgrou
Principals' Annual Salary/Fringe Benefi
Principals' Relationship w/Debtor (creditor, lesse
Nature of Business and Cause of Chapter 11 Fili

Post-Petition Events of Significance

Transfers Outside Ordinary Course of Busine
Orders re: Cash Collateral, Financing & Adequate Protecti
Litigation During Ca

Assets and Liabilities

Liquidation Analys
Risks, Conditions & Assumptions of Stated Valu
Potential Claims and Causes of Acti
Priority Claims, Including Administrative Expens
Total of Non-Priority Unsecured Clai
Any Guaranteed De

Implementation of Plan

Financial Summary (3 yr. pre-petition, post-petition
to date, and projection for life of the pla
Future Principals of Business and Compensati
Tax Ramifications for Continuing Enti

Legal Requirements (From Judge's Form)

Voting Procedures (only impaired classe
Acceptance of Plan (2/3 dollar amount, ½ numbe
Confirmati
Modificati

Remarks: _____

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

IN RE: **LJD Limited Partnership**

Debtor.

Case No. **16-31379-dof**
Chapter 11 Proceeding
Hon. Daniel S. Opperman

**ORDER GRANTING PRELIMINARY APPROVAL OF THE
DISCLOSURE STATEMENT AND SCHEDULING CONFIRMATION HEARING**

The Debtor has filed a combined disclosure statement and plan. The Court has reviewed the disclosure statement and has decided to grant it preliminary approval.

ACCORDINGLY, IT IS HEREBY ORDERED THAT the disclosure statement is granted preliminary approval, subject to any timely and proper objections.

IT IS FURTHER ORDERED that the Debtor shall within 7 days arrange for service by mail in accordance with L.B.R. 3018-1(a) (E.D.M.).

IT IS FURTHER ORDERED that for that purpose the Debtor shall use an updated copy of the matrix, available from the Clerk, and the Debtor shall file with the Court as promptly as possible a Certificate of Service which shall set forth to whom notice has been given.

The deadline to return ballots on the plan, as well as to file objections to final approval of the disclosure statement and objections to confirmation of the plan, is _____. The completed ballot form shall be returned by mail to the Debtor's or plan proponent's attorney: [Name, Address, City, State, Zip].

The hearing on objections to final approval of the disclosure statement and confirmation of the plan shall be held on at _____ a.m./p.m., in the U.S. Bankruptcy Court, [insert location-Flint or Bay City].

The deadline for all professionals to file final fee applications is _____.