

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

In re:

ALLIANCE EQUITIES LLC

Chapter 11  
Case No. 17-57301-mbm  
Hon. Marci B. McIvor

Debtor.

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**DISCLOSURE STATEMENT FOR  
DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION**

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## **DISCLOSURE STATEMENT**

### **I. INTRODUCTION AND OVERVIEW**

#### **A. PURPOSE OF DISCLOSURE STATEMENT**

All capitalized terms not defined in this Disclosure Statement shall have the meaning ascribed to them in the Debtor's attached Plan of Reorganization (the "Plan"), unless the context indicates a different meaning.

Debtor submits this Disclosure Statement pursuant to § 1125 of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq.,<sup>1</sup> to all known holders of a Claim(s) against it. Debtor has filed the Plan with the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, a copy of which accompanies this Disclosure Statement.

Debtor provides this Disclosure Statement to its Creditors to disclose information deemed by it to be material and necessary for Creditors to make a reasonably informed decision in exercising their right to vote for the acceptance of the Plan.

#### **B. SOURCE OF INFORMATION**

The Disclosure Statement and the Plan have been prepared from information furnished primarily by the Debtor. Debtor's counsel has not conducted an

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<sup>1</sup> The Bankruptcy Code shall hereinafter be referred to as the Code. All section numbers shall hereinafter refer to the Code unless otherwise specified.



independent investigation to verify such information. Debtor's counsel encourages creditors to recognize that the Debtor, who is the proponent of the Plan for all purposes pursuant to the Code, including §§1127 and 1129, has provided the information contained herein. Neither counsel nor any other retained independent professional has verified this information. The plan proponent, in this Case the Debtor, has filed the Plan consistent with §§1121 and 1123 and this Disclosure Statement has been filed as required by §1125.

The Debtor made the statements contained in this Disclosure Statement as of the date hereof, unless another time is specified. Neither the delivery of this Disclosure Statement nor any exchange of rights made in connection with it shall, under any circumstances, create an implication that there has been no change of the facts set forth herein since the date of this Disclosure Statement.

**NO PERSON OR ENTITY HAS BEEN AUTHORIZED BY DEBTOR OR THE COURT TO GIVE ANY INSTRUCTIONS OR MAKE ANY REPRESENTATIONS CONCERNING DEBTOR OR ITS FINANCIAL AFFAIRS, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS, PROMISES OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN, WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT, SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION. SUCH REPRESENTATION, INDUCEMENTS AND/OR PROMISES, IF ANY, SHOULD BE REPORTED TO COUNSEL FOR DEBTOR WHO, IN TURN, SHALL DELIVER SUCH INFORMATION FOR SUCH ACTION AS THE COURT MAY DEEM APPROPRIATE.**



### **C. OVERVIEW OF CHAPTER 11**

Chapter 11 is the principal business reorganization chapter of the Code. Chapter 11 authorizes a debtor to reorganize or liquidate its business for the benefit of itself, its creditors, and equity interest holders. In addition to permitting the rehabilitation or liquidation of a debtor, another goal of Chapter 11 is to promote equality of treatment for similarly situated creditors and similarly situated equity interest holders with respect to the distribution of a debtor's assets.

The commencement of a Chapter 11 case creates an estate comprised of all of the legal and equitable interests of the debtor as of the filing date. The Code provides that a debtor may continue to operate its business and remain in possession of its property as a debtor-in-possession.

The consummation of a plan of reorganization is the principal objective in a Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a Chapter 11 plan of reorganization by the Bankruptcy Court makes the plan binding upon a debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor or equity interest holder of a debtor.

After a debtor files a Chapter 11 plan of reorganization, the holders of claims against or interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, however, § 1125 requires a



debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan.

The Debtor is submitting this Disclosure Statement to holders of Claims against, and Equity Interests in, the Debtor to satisfy the requirements of § 1125.

## **II. DESCRIPTION OF THE DEBTOR**

### **A. THE DEBTOR-IN-POSSESSION**

On December 19, 2017 (the “Petition Date”), Alliance Equities LLC (the “Debtor”) filed a voluntary petition under Chapter 11 of the Code in the United States Bankruptcy Court for the Eastern District of Michigan, Case No. 17-57301. This Case was assigned to the Honorable Marci B. McIvor. Upon filing the Chapter 11 petition, the Debtor became a “Debtor-In-Possession,” as that term is understood in the Code.

The Debtor is a single member LLC that owns a 23,100 square foot light industrial warehouse facility located at 2850 Alliance Dr., Waterford, MI 48328 (the “Warehouse”). The Warehouse is subdivided into fourteen separate units. The Debtor’s primary business consists of leasing these units to various other individuals and entities for light industrial purposes. The Debtor leases each unit for approximately \$600.00 per month. The occupancy rate of the Warehouse varies and,



to the best of Debtor's knowledge, eight of the fourteen units were occupied as of the Petition Date.

**B. DEBTOR'S PRINCIPAL AND MANAGEMENT**

**1. Howard Baum**

Howard Baum is the Debtor's principal and sole member, and formed the Debtor in June, 2013. Howard Baum has approximately 40 years' experience in real estate, involving numerous real estate transactions, construction and development projects, and the operation and management of numerous properties. He controls, and has controlled, various entities involved in real estate that have successfully owned, operated, and sold real estate assets.

**2. Compensation**

Howard Baum has never taken any withdrawals or otherwise received any salary or compensation from the Debtor. The Debtor does not, and has never, provide any benefits packages to Howard Baum or any insurance coverage.

**3. Legal Relationship Between Principal and Debtor**

Howard Baum owns all of the outstanding membership interests in the Debtor.



#### **4. Future Prospects for the Debtor and its Principal**

The Debtor expects that Howard Baum will remain the Debtor's principal and sole member during and after confirmation of the Plan. The Debtor does not anticipate that it will begin to provide Howard Baum with a salary or other compensation or benefits for the foreseeable future.

#### **C. DESCRIPTION OF DEBTOR'S BUSINESS AND CAUSES FOR CHAPTER 11 FILING**

##### **1. Background**

Howard Baum established the Debtor in June of 2013, after which the Debtor purchased the Warehouse using funding obtained by Autumn Hill Properties, LLC (the "Lender"). The Debtor's primary function has been to operate the Warehouse, seek tenants, negotiate leases with those tenants, and collect the rents generated from those leases. As part of operating the Warehouse, the Debtor maintains the premises, particularly the Warehouse's exterior, and undertakes any necessary repairs. This has been the Debtor's primary function since its inception, and Howard Baum has remained the Debtor's sole member during that period.

##### **2. Debtor's Primary Assets**

The Debtor's primary asset is the Warehouse. On the Petition Date, the Warehouse was worth approximately \$993,300 and generated gross income from rent payments of approximately \$70,000 to \$84,000 per year.



In addition, the Debtor has valuable commercial lease agreements with the Warehouse's tenants. The Warehouse currently has eight<sup>2</sup> tenants who pay a total of approximately \$4,900.00 in rent each month. Under these lease agreements, the tenants are responsible for a majority of the responsibilities related to their use of the Warehouse, such as common area maintenance and utilities procurement and payment

3. **Causes of Bankruptcy Filing**

Howard Baum formed the Debtor in 2013 after which the Debtor purchased the Warehouse with a loan (the "Loan") from the Lender. The Lender is a privately held and solely owned LLC that, upon information and belief, specializes in small commercial and real estate loans. The Lender made the Loan to the Debtor on July 31, 2013 in the amount of \$675,000.00. The Loan had a term of five years with an annual interest of seven percent. To secure the Loan the Debtor granted a mortgage in the Warehouse to the Lender and executed an assignment of the Warehouse's rents and leases to the Lender. Under the Loan, the Lender could exercise the assignment of rents or foreclose on the Warehouse in the event of a default.

In late 2016, the Debtor failed to pay the property taxes on the Warehouse. The Lender paid those taxes on December 28, 2016. These delinquent taxes totaled

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<sup>2</sup> The Debtor has not had control of the Warehouse since mid-2017, at which time the Warehouse had eight tenants.



approximately \$66,000. Two days later, the Lender sent the Debtor a notice threatening to exercise the assignment of rents if the Debtor did not reimburse the Lender. The Debtor was unable to timely pay the property taxes or reimburse the Lender because several tenants left in succession, decreasing the Debtor's revenue stream. On February 1, 2017 the Lender exercise the assignment of rents and began collecting the approximately \$4,900.00 in monthly rental income. In May 2017 the Lender began advertising a June 2017 foreclosure sale. Because the Lender exercised the assignment of rents, the Debtor was unable to collect any income. On June 20, 2017 the Lender sold the Warehouse at a foreclosure sale and made the winning bid. The Lender bid the entire amount of the mortgage indebtedness without providing any credit for the rents collected.

The redemption period originally lasted until December 20, 2017, but upon filing the case the Code automatically extended the redemption period 60 days, ending on February 19, 2018. Howard Baum seeks to sell a valuable real estate asset (the "Funding Property") owned by another entity that he controls. Alternatively, Mr. Baum intends to borrow the funds to accomplish the redemption. He plans to use these proceeds to redeem the Warehouse under the Plan.

The Debtor believes that the 60-day extension of the redemption deadline by operation of the Case will allow Howard Baum to successfully and timely sell the Funding Property for an amount at least equal to the redemption amount, which the



Lender claims to be \$782,122.37, thereby allowing the Debtor to redeem the Warehouse and continue its profitable operation of the Warehouse. The Debtor believes that the redemption amount is less as the Lender must give credit for the rents collected.

### **III. POST-PETITION EVENTS OF SIGNIFICANCE**

#### **A. POST-PETITION TRANSFERS OUTSIDE THE ORDINARY COURSE OF BUSINESS**

The Debtor has operated in the ordinary course of business. Any transactions made outside the ordinary course of business require approval from the Bankruptcy Court. The Debtor has made no post-petition transfers outside the ordinary course of business.

#### **B. CHAPTER 11 EVENTS AND ORDERS**

##### **1. Employment of Professionals**

On December 19, 2017 the Debtor filed its Application to Employ Schafer and Weiner, PLLC, as counsel to the Debtor and Debtor-In-Possession. DN 6.

##### **2. Meeting of Creditors**

The Debtor's § 341 Meeting of the Creditors is currently scheduled to occur on January 23, 2018. DN 12.



**3. Order Establishing Deadlines and Procedures**

The Court has entered an Order for Initial Chapter 11 Status Conference, scheduling the Debtor's initial status conference for January 9, 2018. DN 10. The Debtor anticipates that the Court will issue a scheduling order after the initial status conference.

**4. Cash Collateral**

The Debtor does not anticipate filing a motion for the use of cash collateral.

**5. Post-Petition Secured Financing**

The Debtor does not anticipate seeking post-petition secured financing.

**6. Litigation Involving the Debtor**

There has not been any litigation involving the Debtor that has been commenced or continued after the Petition Date

**IV. ASSETS AND LIABILITIES**

**A. LIQUIDATION ANALYSIS**

The Debtor's Liquidation Analysis is attached as **Exhibit 1**.

In the event that the Plan is not accepted by the Creditors or is not otherwise confirmed by the Bankruptcy Court, the Debtor believes that it will be unable to redeem the warehouse by the redemption deadline of February 18, 2018. This will cause the Debtor to lose its ownership rights to the Warehouse, thereby



permanently cutting off its sole revenue stream and forcing it to shut down without any distribution to any of its creditors.

**B. RISKS, CONDITIONS, AND ASSUMPTIONS IN LIQUIDATION ANALYSIS**

The Debtor has estimated that fair market value and forced sale value to determine the value of the Warehouse. The Debtor used the SEV valuation of the Warehouse multiplied by two in order to determine the fair market valuation. The risks, conditions, and assumptions are estimations by the Debtor and its sole member, based upon their collective experience in the market. Additional risks, conditions, and assumptions are described in the Liquidation Analysis.

**C. CAUSES OF ACTION**

Debtor reserves the right to collect all accounts receivable and all other amounts due Debtor for any reason whatsoever (whether owed to Debtor pursuant to contract rights, quasi contract, tort law, refund rights, deposits, or for any other reason). The Debtor reserves all setoff and recoupment rights of all kinds. The Debtor reserves the right to commence Avoidance Actions. Accordingly, the Debtor may have potential causes of action and reserves its right to bring a lawsuit against any entity listed on Debtor's Schedules (as filed with the Bankruptcy Court) as owing a debt to the Debtor, and any entity listed on their Statement of Financial Affairs (as filed with the Bankruptcy Court) as having received a transfer from the Debtor. More specifically, and without waiving any other claim, the Debtor may



seek to avoid from any direct or indirect transferee, (i) under § 547 of the Code, any transfer of an interest of the Debtor in property which occurred within 90 days of the Petition Date, or, for insiders of the Debtor, within one year of the Petition Date; (ii) under § 544(a) and § 545, any liens asserted against the Debtor, (iii) under §§ 544(b) and § 548, any actual or constructive fraudulent transfers or obligations, and (iv) under § 549, any unauthorized post-petition transactions.

The Debtor generally reserves any and all potential causes of action to recover accounts receivable, to enforce contractual obligations, or to otherwise enforce and protect their rights. The Debtor has not investigated all potential causes of action and cannot make any representation concerning their value.

Moreover, the Debtor expressly reserves the right to sue the Lender for all of the rents that have been collected by the Lender in the event that such rents are not included in the redemption amount or if the Debtor does not redeem. This is because the Lender bud the entire mortgage indebtedness at the auction, and the rents are therefore required to be returned to the Debtor.

#### **D. SECURED CLAIMS**

Prior to the Petition Date, the Debtor executed the Loan with the Lender in order to purchase the Warehouse. The Warehouse and its associated rents secure the loan. As of the Petition Date, the balance owed by the Debtor was \$782,122.37.



**E. PRIORITY CLAIMS AND ADMINISTRATIVE EXPENSE CLAIMS**

The Debtor anticipates that all Allowed Priority Claims will be paid in accordance with the Plan. The Debtor estimates that the total of all Allowed Priority Claims is approximately \$31,571.19. A list of the Debtor's Priority Creditors is on file with the Bankruptcy Court.

The Debtor anticipates that all of its other Administrative Claims will be paid in the ordinary course. The Debtor estimates its total amount of Administrative Claims at approximately \$31,300.

**F. NON-PRIORITY UNSECURED CLAIMS**

The Debtor estimates that it owes Unsecured Creditors approximately \$7,085. A listing of the Debtor's Unsecured Creditors is on file with the Bankruptcy Court.

**G. GUARANTEED DEBT**

None of the Debtor's obligations to its creditors are guaranteed by any other person or entity.

**V. IMPLEMENTATION OF THE PLAN**

**A. FINANCIAL INFORMATION**

1. **Pre-Petition Financial Summary:** Given the Lender's exercise of the assignment of rents in January 2017 and foreclosure on the Warehouse in mid-2017, the Debtor has not had any access to the Warehouse or its



finances and, therefore, cannot provide an accurate estimate of finances stemming from the Warehouse pre-petition.

2. **Post-Petition to Present Financial Summary:** Because the Debtor has only recently begun this case and has not been in possession of the Warehouse or its associated rents since well before the Petition Date, the Debtor does not have any substantial Post-Petition financial activities to report. However, the Debtor expects to have significant Post-Petition financial activity to report once it redeems the Warehouse under the plan.

3. **Income and Expense Projections Over the Next Five Years:**  
The Debtor attaches its 5-year projections for its income and expenses as **Exhibit 2**. The Debtor bases its projections off of its experience operating the Warehouse and its principal's, Howard Baum, experience operating similar premises.

**B. MANAGEMENT UNDER THE PLAN**

Under the Plan the Debtor proposes that it will continue to operate and conduct business. It proposes that Howard Baum will remain the sole member and sole individual in charge of operating the Debtor. The Debtor does not propose paying Howard Baum a salary or providing any sort of fringe benefits for the foreseeable future.

**C. TAX RAMIFICATIONS**



1. **To the Debtor:** Under the Plan the Debtor expects to pay off all of its creditors. Therefore, it will not undergo any debt forgiveness and thus not experience any tax ramifications.

2. **To Creditors:** The tax consequences to each Creditor resulting from confirmation of the Plan may vary depending upon each Creditor's particular circumstances. Debtor recommends that Creditors or Holders of Claims obtain independent tax counsel to advise them as to the tax consequences of the Plan.

## **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.

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.



To the extent any provision of Article VI.A. conflicts with the Bankruptcy Code, Local Bankruptcy Rules, or this Court's standard disclosure statement language, if any, then the provisions of the Bankruptcy Code, Local Bankruptcy Rules, or this Court's standard disclosure statement language, if any, shall control.

**B. ACCEPTANCE**

The Bankruptcy Code defines 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 and in 11 U.S.C. §1141(d):
  - a. In the case of a corporation that is reorganizing and continuing business:
    - i. All Claims and Interests will be discharged.
    - ii. 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 in business:
    - i. Claims and Interests will not be discharged.
    - ii. Creditors and shareholders will not be prohibited from asserting their Claims against or Interests in the Debtor or its assets.



**ALLIANCE EQUITIES LLC**

By: 

Howard Baum

Its: Member

**PREPARED BY:**

**SCHAFER AND WEINER, PLLC**

By: / s / Kim K. Hillary

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Dated: January 8, 2018



# **EXHIBIT 1**



**EXHIBIT 1**

**ALLIANCE EQUITIES LLC**

**LIQUIDATION ANALYSIS**

**A. ASSETS:**

| <b>ASSET</b>       | <b>FAIR<br/>MARKET<br/>VALUE</b> | <b>LIQUIDATION<br/>VALUE</b> | <b>COST OF<br/>LIQUIDATION</b> | <b>NET<br/>LIQUIDATION<br/>PROCEEDS</b> |
|--------------------|----------------------------------|------------------------------|--------------------------------|---|
| Real Estate        | \$933,300                        | \$646,000                    | \$32,300 <sup>3</sup>          | \$613,700                               |
| Rents <sup>4</sup> | \$55,000                         | \$55,000                     | \$20,000 <sup>5</sup>          | \$35,000                                |
| Cash               | \$820                            | \$820                        | \$0                            | \$820                                   |
| <b>TOTAL</b>       | <b>\$989,120</b>                 | <b>\$701,820</b>             | <b>\$52,300</b>                | <b>\$649,520</b>                        |

**B. LIABILITIES:**

1. **Secured Claims:**

|                             |                      |
|-----------------------------|----------------------|
| Autumn Hill Properties, LLC | \$ 782,122.37        |
| <b>TOTAL:</b>               | <b>\$ 782,122.37</b> |

2. **Administrative Claims:**

|                   |                        |
|-------------------|------------------------|
| Attorney Fees     | \$30,000 (approximate) |
| U.S. Trustee fees | \$1,300 (approximate)  |
| <b>TOTAL:</b>     | <b>\$31,300</b>        |

3. **Priority Claims:**

|                                   |                    |
|-----------------------------------|--------------------|
| 1 <sup>st</sup> Heating & Cooling | \$925.00           |
| City Steel, Inc.                  | \$1,025.00         |
| Gabriel Smith                     | \$900.00           |
| H&M Tool Express, Inc.            | \$1,700.00         |
| James Wallace                     | \$1,400.00         |
| Matthew Wigent, PLLC              | \$850.00           |
| SBF Service Company &             |                    |
| Walton Irrigation                 | \$775.00           |
| Waterford Township Treasurer      | \$23,996.19        |
| <b>TOTAL:</b>                     | <b>\$31,571.19</b> |

4. **Unsecured Claims:**

|               |                   |
|---------------|-------------------|
| <b>TOTAL:</b> | <b>\$7,085.00</b> |
|---------------|-------------------|

<sup>3</sup> Based on an estimated 5% of Liquidation Value fee.

<sup>4</sup> Currently collected by Lender, approximate amounts.

<sup>5</sup> Primarily professional fees.



**TOTAL LIABILITIES**

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**\$852,086.56****C. LIQUIDATION ANALYSIS:**

|                                |           |
|--------------------------------|-----------|
| 1. Fair Market Value of Assets | \$934,120 |
| 2. Net Liquidation Proceeds    | \$649,520 |

**D. AMOUNTS AVAILABLE TO PAY CREDITORS:**

| <b>Creditor Class</b>           | <b>Amount Available to Pay<br/>Classes of Creditors Under<br/>the Plan</b> | <b>Amount Available to<br/>Pay Classes of<br/>Creditors in a Forced<br/>Liquidation</b> |
|---------------------------------|--|---|
| Secured Claims – Real<br>Estate | \$782,122.37   | \$618,220.00  |
| Administrative Claims           | \$31,300.00  | \$31,300.00   |
| Priority Claims                 | \$31,571.19  | \$0   |
| Unsecured Claims                | \$7,085.00   | \$0   |



# **EXHIBIT 2**



**EXHIBIT 2**

| ALLIANCE EQUITIES LLC INCOME AND EXPENSE PROJECTION                                     |         |            |            |            |            |            |            |            |            |            |            |            |             |             |             |             |      |
|---|---------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|------|
| Year  | 2018    |            |            |            |            |            |            |            |            |            |            |            |             | 2019        | 2020        | 2021        | 2022 |
| Month   | January | February   | March      | April      | May        | June       | July       | August     | September  | October    | November   | December   |             |             |             |             |      |
| Rental Income   | N/A     | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$6,327.27 | \$88,800    | \$100,800   | \$109,200   | \$109,200   |      |
| Expenses <sup>1</sup>   | N/A     | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$3,549.39 | \$39,034.23 | \$40,214.64 | \$41,421.08 | \$42,663.71 |      |
|   |         |            |            |            |            |            |            |            |            |            |            |            |             |             |             |             |      |
|   |         |            |            |            |            |            |            |            |            |            |            |            |             |             |             |             |      |
|   |         |            |            |            |            |            |            |            |            |            |            |            |             |             |             |             |      |
| <sup>1</sup> Expenses include, among other things, maintenance costs and property taxes |         |            |            |            |            |            |            |            |            |            |            |            |             |             |             |             |      |