IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MISSOURI

IN RE:	)	
	)	
	)	Case No. 16-40525
C & D Properties of Missouri LLC	)	
	)	Ch. 11
Debtor	)	

AMENDED DISCLOSURE STATEMENT OF C & D PROPERTIES OF MISSOURI LLC

I. INTRODUCTION

C & D Properties of Missouri LLC ("Debtor" and "Debtor-in-Possession") provides this Disclosure Statement to its creditors pursuant to 11 U.S.C. § 1125 of the Bankruptcy Code in connection with their solicitation of acceptances of its Chapter 11 Plan of Reorganization (the "Plan") filed with the United States Bankruptcy Court for the Western District of Missouri. The purpose of this Disclosure Statement is to provide creditors with adequate information with which to make an informed and prudent business judgment when voting on the Plan.

This Disclosure Statement is not meant to take the place of the Plan. To the extent that the Plan and this Disclosure Statement are or may be construed to be inconsistent, the Plan controls. Since creditors will be bound by the Plan if it is confirmed by the Bankruptcy Court, creditors are urged to read the Plan carefully and to consult with their own attorneys about the Plan's effect on their claims. Capitalized terms used but not defined in this Disclosure Statement shall have the meanings ascribed to them by the Plan.

II. EXPLANATION OF CHAPTER 11, THE VOTING PROCEDURES AND CONFIRMATION OF THE PLAN

A. Confirmation of a Chapter 11 Plan

Chapter 11 of the Bankruptcy Code allows the Debtor to attempt to reorganize its financial affairs for its benefit and the benefit of its creditors and other parties in interest. The Debtor's filing of a petition under Chapter 11 triggers the automatic stay of 11 U.S.C. §362 and bars all attempts to collect pre-petition claims from the Debtor, enforce liens on its properties or otherwise interfere with the Debtor's property. The filing of the petition also creates an estate comprised of all legal and equitable interests of the Debtor in property as of the Petition Date. The United States Trustee for the appropriate district may appoint a committee of unsecured creditors, from interested creditors, to represent the interests of unsecured creditors in the case. A committee has not been appointed in this Chapter 11 case.

The Plan is the method by which the Debtor proposes to satisfy the claims of creditors. The Plan provides for the classification and treatment of creditors and the disposition of Estate assets. For the Plan to be implemented, it must be confirmed by the Bankruptcy Court. The standards for confirmation are complex and are primarily set forth in §1129 of the Bankruptcy Code. One of the principle requirements is that the Plan must be accepted by a vote of two-thirds in the amount, and a majority in number, of the voting members of each class of impaired creditors, or, in the alternative, the Plan must meet the standards prescribed for the cramdown under §1129(b).

B. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met. Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed for voting purposes and (2) impaired. Only the votes of Classes whose Claims or Interests are impaired by the Plan will be counted in connection with confirming the Plan. Subject to the specific provisions of § 1124 of the Bankruptcy Code, generally a Class is "impaired" if the legal, equitable or contractual rights attached to the Claims or Interests of that Class are modified, other than by curing defaults in stated maturities or by payment in full in Cash on the Effective Date of the Plan.

C. What Is an Allowed Claim or an Allowed Equity Interest?

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a Proof of Claim or equity interest, unless an objection has been filed to such Proof of Claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court overrules the objection or allows the claim or equity interest for voting purposes under Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

D. What Is an Impaired Claim or Impaired Equity Interest?

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in §1124, a class is considered impaired if the Plan alters the legal, equitable or contractual rights of the members of that class.

E. Who is Not Entitled to Vote

The following types of creditors and equity interest holders are not entitled to vote:

• Holders of claims and equity interests that have been disallowed by an order of the Court;

• Holder of other claims or equity interest that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes;

• Holders of claims or equity interests in unimpaired classes;

• Holders of claims entitled to priority pursuant to Bankruptcy Code §§507(a)(2), (a)(3) and (a)(8);

• Holders of claims or equity interest in classes that do not receive or retain any value under the Plan;

• Holders of administrative expenses.

Even if you are not entitled to vote on the Plan, you have a right to object to confirmation of the Plan.

F. Who Can Vote in More than One Class

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

G. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class.

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both the following occur: (1) the holders of more than one-half of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan. A class of equity interests accepts the Plan if the holders of at least two-thirds in amount of the allowed equity interest in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Nonaccepting Classes*

Section 1129 of the Bankruptcy Code contains provisions for confirmation of the Plan even if the Plan is not accepted by all impaired classes, so long as at least one impaired class of Claims has accepted the Plan and the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to any objecting class. The Plan will be found "fair and equitable" with

respect to a dissenting *secured* class, for example, if the Claims in this class receive full cash payments over time, secured by their existing liens, with interest at a market rate for comparable *secured* loans. The Plan will be found "fair and equitable" with respect to a dissenting *unsecured* class if Claims in that class receive cash payment over time at an equal to or higher amount than would have been received in a Chapter 7 liquidation.

Alternatively, the Plan will be found "fair and equitable" with respect to a dissenting unsecured class if no holder of any Claim or Interest that is junior to the Claims of such class receives or retains under the Plan any property. Finally, the Plan will be found "fair and equitable" with respect to a dissenting Class of Interests so long as no class junior to the dissenting class receives any distributions and no class senior to the class receives more than payment in full.

H. Manner of Voting

The holders of impaired claims are entitled to vote on the Plan and may cast their votes for or against the Plan by (a) completing, dating and signing the Ballot for Accepting or Rejecting Plan (the "Ballot") accompanying this Disclosure Statement and (b) filing the Ballot with Debtors' counsel. A ballot is included with this Disclosure Statement. The Ballot may be filed in person or by mailing, emailing, or faxing the ballot to: Phillips & Thomas LLC, 5200 W 94th Terr., Ste 200, Prairie Village KS 66207, phone 913 385 9900, fax 913 385 9907, email: phillipsandthomas@gmail.com.

The Ballot which accompanies this Disclosure Statement does not constitute a Proof of Claim. If you are uncertain whether your Claim has been correctly scheduled, you should check the Debtor's Schedules which are on file with, and may be inspected at, the Clerk's Office, U.S. Bankruptcy Court for the Western District of Missouri, Charles Evans Whittaker Courthouse, 400 East 9th Street, Kansas City, Missouri 64106.

I. Confirmation without Acceptance

Section 1129(b) of the Bankruptcy Code provides that the Plan may be confirmed by the Court, although not accepted by every impaired Class, if at least one impaired Class has accepted

the Plan (without considering the votes of any Insiders), and the Court finds that the Plan does not discriminate unfairly and is fair and equitable to the rejecting Classes. Pursuant to §1129(b), the Debtor will request the Court to confirm the Plan if the applicable requirements of §1129 of the Bankruptcy Code have been met. In addition, the Debtor reserves the right pursuant to §1126(e) of the Bankruptcy Code to request the Court to strike any rejection of the Plan by a holder of a Claim or Interest as not being filed in good faith.

J. Hearing on Confirmation

The Confirmation Hearing will take place per the terms of the Order of the U.S. Bankruptcy Court. The hearing will take place before the Honorable Cynthia A. Norton, Bankruptcy Judge, Room 6A, Charles Evans Whittaker Courthouse, 400 East 9th Street, Kansas City, Missouri 64106. All creditors and parties in interest will receive notification of the Confirmation Hearing. The Confirmation Hearing may be continued from time to time as announced in open court on that date without further written notice to you. At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements for confirmation of the Plan have been satisfied. If confirmed, the Plan will become effective on the Effective Date, as defined in the Plan.

III. DISCLAIMERS AND ENDORSEMENTS

This Disclosure Statement shall be approved by the Bankruptcy Court in accordance with §1125 of the Bankruptcy Code and Bankruptcy Rule 3017 and is provided to each creditor entitled to vote on the Plan. This Disclosure Statement is intended to assist creditors whose Class is impaired in evaluating the Plan and in determining whether to accept or reject the Plan. Under the Bankruptcy Code, acceptance or rejection of the Plan may not be solicited unless a copy of this Disclosure Statement is furnished prior to or concurrently with solicitation. The Bankruptcy Court's approval of this Disclosure Statement does not constitute a recommendation by the Bankruptcy Court either for or against the Plan. This Disclosure Statement contains information supplementary to the Plan and is not intended to take the place of the Plan. Each creditor is strongly urged to study the Plan carefully with its own counsel to determine the Plan's impact on

its interests. The financial information contained herein has not been certified by an independent auditor.

DEBTORS, THEIR ATTORNEYS AND ADVISORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACIES, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. NOTHING CONTAINED IN THE PLAN SHALL BE DEEMED AN ADMISSION OR USED AGAINST DEBTORS IN ANY PENDING OR FUTURE LITIGATION.
THIS DISCLOSURE STATEMENT ALSO HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

NO REPRESENTATIONS CONCERNING THE DEBTORS ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT OR AUTHORIZED BY THE BANKRUPTCY COURT. ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT OR AUTHORIZED BY THE BANKRUPTCY COURT SHOULD NOT BE RELIED ON BY YOU IN ARRIVING AT YOUR DECISION, AND ANY SUCH ADDITIONAL REPRESENTATION OR INDUCEMENT SHOULD BE REPORTED TO DEBTORS' COUNSEL WHO SHALL FURNISH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

IV. HISTORY OF THE DEBTORS AND EVENTS LEADING UP TO THE FILING

The Debtor is a Missouri LLC that owns a building located at 1102 E 23rd St in Independence, Missouri. This building houses an animal hospital that performs veterinary services. The name of the animal hospital is D & C Enterprises, and this entity operates publicly under the dba name of Cedar Ridge Animal Hospital. D & C Enterprises has also filed a Chapter 11 case.

The events that led up to the filing of the case were the following. The revenue of the Debtor is derived solely from the monthly rent paid to it by D & C Enterprises (i.e., the animal hospital). Beginning around 2013, there was a downturn in the volume of clients visiting the animal hospital. The party who owns both businesses, Dr. Cassie Cure, was also struggling with the departure of her business partner (Donna Romanzi) at around the same time.

It thus became difficult for the debtor to continue making the mortgage payments on the building to the mortgage creditor. There was a pressing need to restructure the mortgage to enable the Debtor to continue making the payments. Unfortunately, the mortgage creditor immediately filed a foreclosure action against the Debtor, leaving it with no option but to file the present Chapter 11 case.

After the filing of the case, Debtor took immediate steps to improve its cash flow situation. Orders for cash collateral were entered for the major secured creditors, and this reduction in monthly payments was a significant relief for the Debtor. Communications with the creditors has been consistent and ongoing, and the creditors understand the need for significant changes to be made in the secured loan structures in order for the debtor to continue to operate as a going concern.

A. Projected Recovery of Avoidable Transfers

The Debtor does not intend at this time to pursue preference, fraudulent conveyance, or other avoidance actions.

B. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld.

C. Current and Historical Financial Conditions

The attached exhibits contain detailed information on the Debtor's most recent historical financial condition, as well as projections for the five years following plan confirmation. It should be noted that the sole income of the Debtor comes from the assigned rent paid to it by the D & C Enterprises (dba Cedar Ridge Animal Hospital). Since both companies are owned by the same person, there is complete flexibility on Dr. Cure's part on how this "rent" is set. Dr. Cure can set this rent amount at a figure that will cover the debt obligations of C & D Properties.

(For example, after confirmation, a rent amount of $3800 per month paid to the Debtor by the animal hospital will be sufficient to cover the Debtor's obligations). Since the Debtor's income comes solely from the income of D & C Enterprises, PC, financial information for D & C Enterprises is provided herein. The following financial exhibits are attached to this Disclosure Statement:

(1) Three years of balance sheets (2013 to 2015) for the Debtor's funding entity (D & C Enterprises).

(2) Most recent monthly operating reports of C & D Properties and D & C Enterprises.

(3) Future income projections for the Debtor's providing entity (D & C Enterprises) for the life of the Plan;

(4) Liquidation Analysis

(5) Action plan for increasing the revenue of D & C Enterprises

V. SUMMARY OF THE PLAN

A. The Plan

The creditor claims fall into several types: the secured claim of Midwest Regional Bank, the priority claim of the IRS, the priority claim of the Jackson County Collector, and the undersecured portion of the secured claim of Midwest Regional Bank.

The Plan provides for the distribution of the payments among the various classes under the Plan according to the priorities established in the Bankruptcy Code as described below. The Plan payments will be funded from the income earned by D & C Enterprises. This is a 100% plan.

B. Income Projections

Debtors have provided a 5-year projection as an exhibit which details the expected cash flows from the Debtor's funding entity. The Plan will be a 5 year Plan. It is also a 100% plan. Projections are based on the most current income and expense data, and show that the Debtor has the ability to fund the Plan.

C. Your "Class" Under the Plan

The Plan groups Claims and Interests into "Classes." To determine what you will receive under the Plan, you must first determine how your Claims or Interests have been classified under the Plan. Your ballot will tell you in what Class your Claim or Interest is categorized. To determine if your Claim or Interest has been properly classified, you should examine the description of Classes of Claims and Interests set forth below.

D. Summary of Proposed Distributions

The Plan provides for distributions of cash consideration in satisfaction of allowed pre-petition, priority and administrative expense claims on the Effective Date. The amount of distribution depends on the Class and amount of your Claim. The Plan places Claims and Interests against the Debtors in 5 Classes. Any class of Claims which is paid in cash in full on the Effective Date or is paid to the agreed terms of its contract is not impaired under the Plan and is conclusively presumed to have accepted the Plan. All other classes of Claims are impaired and are entitled to vote on the Plan if they receive any distribution under the Plan. Any class that receives no distribution under the Plan is conclusively presumed to vote against the Plan, provided that such class is not comprised solely of insiders.

E. Analysis of Claims

(1) Secured Creditors. There is one secured creditor, Midwest Regional Bank. As stated in its filed proof of claim, its loan balance is currently approximately $485,857. Of this amount $340,000 is secured to the value of the Debtor's property, and the remainder ($145,875) is unsecured.

(2) Priority Creditors

There are two priority creditors, the IRS and the Jackson County Collector.

(a) IRS: $500 (priority unsecured claim)

(b) Jackson County Collector: Has a priority secured claim of approximately $20,498, according to its filed proof of claim.

(3) General Unsecured Creditors

There is one creditor in this class, Midwest Regional Bank. The unsecured claim results from the separation of its mortgage into secured and unsecured portions. This amount is estimated at $145,875.

(4) Leases

Debtor "leases" the building premises to D & C Properties. It intends to assume this executory contract as it is. The Debtor intends that, upon Plan confirmation, the lease will all begin a new one-year lease period with the first month beginning at the month of confirmation.
(If you have an executory contract or unexpired lease with the Debtor and the Plan rejects the lease, you will have thirty (30) days commencing from the Confirmation Date within which to file a Claim for damages, if any, arising from the rejection of your contract or lease. If you do not file a Claim within the thirty (30) day period, your Claim will be disallowed. If your contract or lease has already been rejected or will be rejected prior to confirmation by separate motion, you have had or will have thirty (30) days after the entry of the Bankruptcy Court order authorizing rejection of such contract or lease to file your Claim).

F. Objections to Claims

Debtor reserves the right to object to any Proof of Claim filed in its case. Any Objection to a Proof of Claim shall be filed within 30 days of the Order Confirming the Plan of Reorganization.

G. Amortization and Interest Rate of Real Estate Lenders

[The relationship of the Debtor to the real estate lender is controlled by the filed Joint Stipulation, as Doc. No. 64].

H. Equity Interests

The Debtor is owned entirely by Dr. Cassie Cure. Dr. Cure will retain her equity interest. Her interest is not affected by the plan.

VI. DESCRIPTION AND DESIGNATION OF ADMINISTRATIVE CLAIMS

The following claims are entitled to priority:

A. Administrative Expenses

Administrative expenses are discussed in Section 2.01 of the Debtor's Plan of Reorganization.

US Trustee Fees. Pursuant to 28 U.S.C. 1930(a)(6), the Debtor will pay all outstanding amounts due the United States Trustee upon confirmation and, on and after the confirmation date, Debtor shall be liable for, and shall pay the fees due the United States Trustee pursuant to 28 U.S.C. §1930(a)(6) until the entry of a final decree in this case or until the case is converted or dismissed. After confirmation, Debtor shall file with the Court, and serve on the United States Trustee, a quarterly financial report for each quarter (or portion thereof) the case remains open.

The Bankruptcy Court will confirm a Plan of Reorganization only if the Plan provides for full payment in cash of each Allowed Administrative Claim on the Effective Date or on such other date agreed to by the holder of the Administrative Claim. If an Administrative Expense remains subject to Court approval or "allowance," cash must be escrowed on account of the Administrative Expense until it is allowed by the Bankruptcy Court.

Section 2.01 of the Amended Plan (filed with this Disclosure Statement) contains information regarding the treatment of Administrative Claims. The Debtor will seek to establish an Administrative Claim Bar Date to afford each Administrative Claimant an opportunity to assert its Request for Payment of Administrative Expenses. Holders of Administrative Claims for liabilities incurred in the ordinary course of the Debtor's businesses shall not be required to file any Request for Payment of Administrative Expense and such Administrative Claims shall be assumed and paid pursuant to the terms and conditions of the transaction giving rise to such Administrative Claim without any further action by the holders of such Claims.

Attorney Fees. There are no attorney fees that will be paid through the plan. Within 30 days after plan confirmation, counsel for Debtor will file a motion for attorney fees and expenses.

VII. TREATMENT OF CLAIMS

A. Class 1 – Secured Claim (Midwest Regional Bank)

Class 1 consists of the secured claim of Midwest Regional Bank. The relationship of the Debtor to this creditor is controlled by the Joint Stipulation (Doc. No. 64) filed in this case.
Class 1 is impaired and will vote on the Plan.

B. Class 2 – Unsecured Priority Claim (IRS)

Class 2 consists of the $500 priority claim of the IRS. This amount will be paid off in the first year of the plan with quarterly payments of $125.
Class 2 is impaired and will vote on the Plan.

C. Class 3 – Secured Priority Claim (Jackson County Collector)

Class 3 consists of the delinquent property taxes in the amount of $20497. This amount will be paid over the 60 months of the plan with a monthly amount of $300. Any balance remaining by the 58th month of the plan will be paid in full. The creditor's delinquent tax interest rate will control.
Class 3 is impaired and will vote on the Plan.

D. Class 4 – Unsecured Claim of Midwest Regional Bank

Class 4 consists of the general unsecured portion of Midwest Regional Bank's claim. The relationship between the Debtor and this creditor is controlled by the Joint Stipulation filed between the parties (Doc. 64).
Class 4 is impaired and will vote on the Plan.

E. Class 5--Equity Interests

The equity interests of the Debtor are held by the owner, Cassie Cure.
Class 5 is not impaired, and will not vote on the Plan.

VIII. BANKRUPTCY CODE REQUIREMENTS

The Bankruptcy Code imposes requirements of acceptance of the Plan by creditors, minimum value of distributions, and feasibility. To confirm the Plan, the Bankruptcy Court must find that all of these conditions and other conditions set forth in 11 U.S.C. § 1129(a) of the

Bankruptcy Code have been met. Thus, even if each class of creditors accepts the Plan by the requisite majorities, the Bankruptcy Court must undertake an independent evaluation of the feasibility of the Plan and of the other statutory requirements before the Plan may be confirmed. The conditions for minimum value and financial feasibility are discussed below. The conditions for acceptance are discussed in Section II, above.

A. Minimum Value

Before it may confirm the Plan, the Bankruptcy Court must determine (with certain exceptions) that the Plan provides to each member of each impaired Class of Allowed Claims a recovery that is at least equal to the distribution that such member would receive if the Estates of the Debtor were liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. Debtor has concluded that under the Plan each holder of a Claim will receive or retain property of a value that is equal to or greater than the amount that such holder would receive or retain if the Debtor were liquidated outside Chapter 11. In fact, the creditors will receive 100% of their claims.

B. Feasibility

To confirm a Plan, the Bankruptcy Code requires the Bankruptcy Court make a finding that confirmation is not likely to be followed by the liquidation of, or the need for further financial reorganization of, the Reorganized Debtor. Whether a debtor has the ability to meets its plan obligations is essential to a determination of feasibility. The relevant statutory language states: “Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization.” 11 U.S.C. § 1129(a)(11). Additionally, the Debtor has reduced expenses, and manages the unit itself. The cash projections were prepared based upon an evaluation of the Debtor's operation and a belief that these figures were reasonable and could be attained.

The data show that the Debtor has established a reasonable prospect of success in its efforts to achieve it projected revenues. The Debtor's calculation of these expenses appears to have involved a consideration of historical data, an evaluation of its ongoing business operations

and an analysis of where reductions could be made to improve profitability. Progress has been made to eliminate unnecessary or duplicative costs.

A plan must be workable and offer "a reasonable prospect of success" in order to meet the feasibility standard. *In re Richards,* No. 03–02487, 2004 WL 764526, at *2–3, 2004 Bankr.LEXIS 388, at *7 (Bankr.N.D. Iowa April 2, 2004). See also *In Re Riverbend Leasing LLC,* 458 B.R. 520 (S.D. Iowa 2011). Financial uncertainty is not a bar to confirmation, but there must be a practical showing that post-confirmation obligations can be met. "While a reviewing court must examine 'the totality of the circumstances' in order to determine whether the plan fulfills the requirements of § 1129(a)(11), only a relatively low threshold of proof is necessary to satisfy the feasibility requirement." *In re Sagewood Manor Assocs. Ltd. P'ship.,* 223 B.R. 756, 762 (Bankr.D.Nev.1998). Fluctuations, both higher and lower, in actual revenues and expenses are inherent to business cash flows.

Cedar Ridge Animal Hospital, the Debtor's sole source of income, is an active and respected veterinary business in the local community. It is not going to go anywhere, as a residential tenant might. The financial data provided for D & C Enterprises shows the business is cash flowing. Debtor has attached to this disclosure statement financial information about D & C Enterprises, the funding entity of the debtor. Information has also been given about specific business practices that will be implemented by the Debtor during the life of the plan.

The property is cash flowing. The attachments demonstrate that the expectations of future cash flows are not wildly speculative. Adequate protection payments have been made without problems. Under the circumstances of this proceeding, the figures utilized in the cash flow projections appear reasonably attainable, and are not solely based upon speculation, which satisfies the confirmation standard.

IX. FEDERAL INCOME TAX CONSEQUENCES TO CREDITORS

Certain federal income tax consequences will result from the transactions described herein and in the Plan. Holders of Claims, Interests and other parties affected by the Plan should consult their own tax professionals for an analysis of such consequences.

X. INCOME TAX CONSEQUENCES TO DEBTORS

Creditors and equity interest holders concerned with how the Plan may affect their tax liability should consult with their accountants, attorneys, or advisors. The Debtor files its own tax returns. However, any tax consequences are reported on its return. The debtor continues to operate in essentially the same manner as it did prior to bankruptcy for tax purposes and continues to file all tax returns during the pendency of the bankruptcy.

XI. LIQUIDATION ANALYSIS AND BEST INTEREST OF CREDITORS

Notwithstanding acceptance of the Plan by the requisite majorities of creditors, to confirm the Plan, the Court must independently determine that the Plan is in the best interests of each impaired class of creditors. The "best interests" test requires the Court to find that, with respect to each Impaired Class of Claims or Interests which has not unanimously accepted the Plan, each holder of a Claim or Interest in such Class 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 such holder would receive or retain if Debtor's Estate was liquidated under Chapter 7 of the Bankruptcy Code on such date. If this Bankruptcy case were converted to a Chapter 7 liquidation, the Chapter 7 Trustee would be required to dispose of Debtors' assets in a prompt manner under circumstances amounting to a forced sale liquidation.

If the case was a Chapter 7 liquidation, Debtor's unsecured creditors would receive no payment of their claims as the assets would be liquidated and paid to the secured creditors. The property is undersecured the available assets of the Debtor would not be sufficient to make up the shortfall. Debtor's plan, on the other hand, proposes to give the unsecured creditor 100% of its claim.

XII. EFFECTS OF CONFIRMATION OF THE PLAN

A. Discharge of Debtors

Debtor is a corporation and Code § 1141(d)(3) is not applicable. On the confirmation date of this Plan, the debtor will be discharged from any debt that arose before confirmation of

this Plan, subject to the occurrence of the effective date, to the extent specified in Code § 1141(d)(1)(A), except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in Code § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in Code § 1141(d)(b)(8).

B. Modification of Plan

The Debtors may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new Disclosure Statement and/or revoting on the Plan. The Debtors may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and hearing.

C. Final Decree

Once the Estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Debtors shall file a Motion with the Court to obtain a Final Decree to close the case. Alternatively, the Court may enter such a Final Decree on its own Motion.

D. Risk Factors

Every plan has possible risk factors. The proposed Plan has the following risks. The biggest risk factors are the possibility that the animal hospital will stop functioning, or experience a major downturn in revenue. However, this risk is low, when considering the goodwill of the animal hospital in the community. Cedar Ridge Animal Hospital needs to be located at the building where it currently is. Its longstanding goodwill means that it will present far less risk than a "residential" type of tenant.

XIII. MISCELLANEOUS

Absolute Priority Rule Is Not Violated. The absolute priority rule prevents junior interests in a bankruptcy case from receiving or retaining property at the expense of senior interests who are not being paid in full the allowed amounts of their claims. Thus, §1129(b)(2)(A) requires, as a condition of confirmation, that the holders of secured claims, in a class that has not accepted the plan, be paid the full present value of the allowed amounts of their claims. And this is precisely what the Plan proposes. The unsecured creditor is being paid 100%.

Consideration of the absolute priority rule, as a separate test of confirmation, is appropriate only with respect to the holders of claims that can be paid less than the full allowed amounts of their claims under a proposed plan. The absolute priority rule generally requires that no party in a class junior in priority may receive a distribution unless the Plan provides for full payment of all senior classes.

It should be noted that the absolute priority rule is a tool which only unsecured creditors may use to protect their interest in obtaining payment. Secured creditors do not have standing to assert the absolute priority rule. *Norwest Bank Worthington v. Ahlers,* 485 U.S. 197, 206–07 (1988) (interpreting the absolute priority rule to be applicable to unsecured creditors); *Corestates Bank, N.A. v. United Chem. Techs, Inc.,* 202 B.R. 33, 54 (E.D.Penn.1996) ("Courts limit their application of the absolute priority rule to unsecured creditors."); *In re Cypresswood Land Partners,* 409 B.R. 396, 419 (Bankr.S.D.Tex.2009) ("[A plan] objection may only be prosecuted by the holder of an unsecured claim."); *In re New Midland Plaza Assocs.,* 247 B.R. 877, 893 (Bankr.S.D.Fla.2000) ("As a fully secured creditor ... [the objecting party] ... does not have standing to assert the absolute priority rule of § 1129(b)(2)(B)(ii)"); *In re Applied Safety, Inc.,* 200 B.R. 576, 588, (Bankr.E.D.Pa.1996) ("The absolute priority rule applies to only unsecured claims.").

XIV. CONCLUSION

This Disclosure Statement is intended to assist creditors in understanding the effect of the Plan. Creditors are cautioned, however, that the provisions of the Plan are complex and that reference must be made to the Plan itself for a proper understanding and an analysis of the terms

and provisions of the Plan. If there is a conflict between the terms of the Plan and the terms of this Disclosure Statement, the terms of the Plan will control.

XV. RECOMMENDATION

Debtor believes that the Plan will provide their creditors with better recovery, at the least cost, and as much as their creditors would receive if this Bankruptcy Case were converted to a Chapter 7 liquidation. Therefore, Debtors recommend that the Plan be accepted by their creditors.

Respectfully Submitted,

/s/ Cassie Cure
By: Cassie Cure, President of C & D Properties of Missouri LLC
Date: 10/31/2016

Phillips & Thomas LLC

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