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12 **UNITED STATES BANKRUPTCY COURT**
 13 **FOR THE DISTRICT OF NEVADA**

14 In re:

15 REGIS GALERIE, INC., a Nevada
 16 corporation,

17 Debtor.

Case No.: 16-14899-gs

Chapter 11

**DISCLOSURE STATEMENT TO
 DEBTOR'S PLAN OF
 REORGANIZATION**

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1 **DISCLOSURE STATEMENT TO PLAN**

2 *This Disclosure Statement and the Plan is your opportunity to vote on the*
3 *Plan and to receive payment as described in the Plan. It is very important that*
4 *you read this Disclosure Statement and the Plan. The Debtor urges you to vote*
5 *in favor of the Plan so that you can receive the distributions described in the*
6 *Plan.*

7 **I. INTRODUCTION**

8 On September 5, 2016 ("Petition Date"), Regis Galerie, Inc. (the "Debtor") filed a
9 voluntary petition for relief under chapter 11 of title 11 of the United States Code ("Bankruptcy
10 Code"). The Debtor has remained in possession of its assets and has conducted its affairs as a
11 debtor in possession pursuant to the authority of sections 1107 and 1108 of the Bankruptcy
12 Code.

13 Chapter 11 of the Bankruptcy Code permits both individuals and entities to reorganize
14 from financially distressed situations. Chapter 11 reorganizations are accomplished through
15 formulating and confirming a plan. The plan may affect the interests of creditors and equity
16 security holders. **To be confirmed by the Bankruptcy Court, the Bankruptcy Code**
17 **provides that the court must find that the plan has received the requisite number of votes**
18 **from certain classes of creditors or equity security holders and that the plan is fair,**
19 **equitable, and feasible, as to any dissenting classes of creditors or equity security holders.**

20 The Debtor has prepared this Disclosure Statement in connection with the Debtor's Plan
21 of Reorganization (the "Plan") filed by the Debtor on October 3, 2017. A copy of the Plan is
22 attached hereto as Exhibit A.

23 **A. Purpose of this Disclosure Statement**

24 Pursuant to the provisions of the Bankruptcy Code and in conjunction with the
25 confirmation process for the proposed Plan, Debtor has prepared and filed this Disclosure
26 Statement designed to contain:

27 [I]nformation of a kind, and in sufficient detail, as far as is reasonably
28 practicable in light of the nature and history of the debtor and the condition of
the debtor's books and records, that would enable a hypothetical reasonable

1 investor typical of holders of claims or interests of the relevant class to make an
2 informed judgment about the plan....

3 Bankruptcy Code, § 1125(a)(1). The provisions of this Disclosure Statement include a
4 summary of the events which caused the filing of the chapter 11 petition, a summary of the
5 significant events that have taken place during the chapter 11 case, an analysis of the terms of
6 the Plan, the means for implementing the Plan, the procedures for voting on the Plan and an
7 analysis of what creditors would receive on their claims in a liquidation. Unless otherwise
8 defined herein, all of the capitalized terms used in the Disclosure Statement are defined in the
9 Plan, and the definitions contained therein are applicable in this Disclosure Statement.

10 **B. Disclaimer**

11 *The Bankruptcy Court has conditionally approved this Disclosure Statement as*
12 *containing adequate information to enable parties affected by the Plan to make an informed*
13 *judgment about its terms. The Bankruptcy Court has not yet determined whether the Plan*
14 *meets the legal requirements for confirmation, and the fact that the Bankruptcy Court has*
15 *approved this Disclosure Statement does not constitute an endorsement of the Plan by the*
16 *Bankruptcy Court, or a recommendation that it be accepted. The Bankruptcy Court's*
17 *approval of this Disclosure Statement is subject to final approval at the hearing on*
18 *confirmation of the Plan. Objections to the adequacy of this Disclosure Statement may be*
19 *filed until _____, 2017.*

20 This Disclosure Statement should be read in its entirety prior to voting on the Plan. No
21 solicitation of votes will be made except pursuant to this Disclosure Statement. Therefore, for
22 purposes of voting on the Plan, parties in interest should not rely on any information relating to
23 the Debtor other than the information contained in this Disclosure Statement. Please read the
24 Disclosure Statement carefully before voting on the Plan.

25 The Debtor is furnishing this Disclosure Statement and forms of ballot to holders of
26 claims in impaired classes, pursuant to the requirements of section 1125 of the Bankruptcy
27 Code and Rule 3017 of the Federal Rules of Bankruptcy Procedure ("FRBP"). Under
28 section 1122 of the Bankruptcy Code, substantially similar claims are placed in classes. Under
section 101(5) of the Bankruptcy Code, a "claim" means a right to payment or a right to an

1 equitable remedy for breach of performance if such breach gives rise to a right to payment.
2 Generally, in the context of voting for confirmation of a plan of reorganization, a claim or
3 interest is deemed impaired unless one of three conditions is met, namely, (i) the legal,
4 equitable, and contractual rights of the holder are left unaltered by the plan; (ii) the plan
5 provides for curing defaults occurring before or after commencement of the case; or, (iii) the
6 holder receives cash for the allowed amount of the claim or for the fixed redemption price or
7 liquidated value of the interest. Unimpaired claims are more specifically defined in
8 section 1124 of the Bankruptcy Code. This Disclosure Statement and the Plan identifies the
9 classes and whether these classes are deemed impaired or unimpaired under the Plan.

10 A holder of a claim or interest in an impaired class is entitled to vote to accept or reject
11 the Plan if such claim or interest has been allowed pursuant to section 502 of the Bankruptcy
12 Code or temporarily allowed for voting pursuant to FRBP 3018.

13 **YOUR VOTE IS IMPORTANT.** Confirmation of the Plan and implementation of the
14 proposed provisions and transactions under the Plan depends upon receipt of a sufficient
15 number of votes in favor of the Plan. If the Debtor has received a sufficient number of votes in
16 favor of the Plan upon expiration of the solicitation period, the Debtor intends to seek
17 confirmation of the Plan.

18 **The Plan sets forth the proposed treatment of each class of Claims and Interests.**
19 **You are urged to study this Disclosure Statement and the Plan in full and to consult with**
20 **your own legal and financial advisors about the Plan and its impact, including but not**
21 **limited to possible tax consequences, upon your legal rights.**

22 **No representations concerning the Debtor, particularly as to the Debtor's financial**
23 **condition, or the value of its property, are authorized by the Debtor except as set forth in**
24 **this Disclosure Statement. Although great effort has been made by the Debtor to be**
25 **accurate, the information contained herein or appended hereto as exhibits, has not been**
26 **subject to a certified audit. Therefore, the Debtor is unable to warrant or represent that**
27 **the information contained herein is without any inaccuracy.**

28 **Furthermore, while any dividend or distribution offered to any person or entity**
pursuant to the Plan may not meet the reader's understanding of the definition of

1 "securities," such dividend may be deemed a "security" pursuant to federal or state
2 securities laws. Accordingly, the Plan should be evaluated in much the same manner as
3 the purchase of a security would be evaluated. The advice and assistance of competent
4 professionals should be sought.

5 **II. SUMMARY OF TREATMENT OF CLAIMS AND INTERESTS UNDER**
6 **THE PLAN**

7 The Claims against the Debtor consist of:

8 • Administrative Expense Claims - claims for goods provided and services
9 rendered to the Debtor during the chapter 11 case, and for goods provided to the Debtor
10 during the twenty days preceding the chapter 11 case

11 • Priority Tax Claims - the claim of the Nevada Department of Revenue

12 • Wells Fargo Bank Secured Claim – the secured claim of Wells Fargo Bank, N.A.
13 for loans made prior to the Petition Date

14 • American Express Bank Secured Claim – the secured claim of American Express
15 Bank, FSB for a loan made prior to the Petition Date

16 • Customer Deposit/Store Credit Claims – the claims of a customer for funds
17 deposited with the Debtor for the purchase of a good or for a store credit issued by the
18 Debtor to the customer in lieu of the deposit

19 • Consignment Claims – certain claims of a person or entity that delivered goods
20 to the Debtor on consignment prior to the Petition Date

21 • General Unsecured Claims – all other unsecured claims

22 • Insider Claims – the claims of the Debtor's majority shareholder (and president)
23 and of a former shareholder

The following table summarizes the classes of claims and interests and the treatment of each class under the Plan. This summary is qualified in its entirety by the more detailed information contained in this Disclosure Statement and in the Plan.

Class	Class Composition	No. of Claimants (Approx.)	Amount of Claims (Approx.)	Amount and Timing of Distributions	Impaired or Unimpaired
unclassified	Administrative Claims	4 (not including trade claims or Grand Canal Shoppes Landlord)	\$168,261	Allowed Claims to be paid in full, as soon as practicable after the Effective Date	Not applicable
unclassified	Priority Tax Claims	1	\$16,539	Allowed Claims to be paid in full, in quarterly installments over five years with interest at 4.0% per annum	Not applicable
1	Wells Fargo Bank Secured Claim	1	\$1,150,487	Allowed Claim to be paid in full, in monthly installments over seven years with interest at 6% per annum, secured by first lien on assets	Impaired
2	American Express Bank Secured Claim	1	\$478,726	Allowed Claim to be paid in full, in monthly installments over seven years with interest at 4.8% per annum, secured by second lien on assets	Impaired
3	Ally Financial Secured Claim	1	\$20,570 (as of 9/15/17)	Allowed Claim to be paid in full, in continued monthly installments of \$1,112.38	Unimpaired
4	Customer Deposit/Store Credit Claims	31	\$120,473	Creditors shall retain all rights to use deposit or store credit toward the purchase of a good	Unimpaired

Class	Class Composition	No. of Claimants (Approx.)	Amount of Claims (Approx.)	Amount and Timing of Distributions	Impaired or Unimpaired
5	Consignment Claims	20	\$311,943	Allowed Claim (a percentage of the consignment price) to be paid in full, upon sale of consigned good	Unimpaired
6	General Unsecured Claims	100	\$4,821,265	Allowed Claims to be paid 25% dividend in quarterly installments over 5 years	Impaired
7	Insider Claims	2	\$995,783	No payments	Impaired
8	Interests	2	N/A	The holders of Interests shall retain their interests in Debtor	Unimpaired

The Plan provides for payment to the holders of General Unsecured Claims of an amount substantially greater than the amount such claimants would receive in a liquidation of Debtor's assets under chapter 7 of the Bankruptcy Code.

A copy of the Plan is attached to this Disclosure Statement as Exhibit A.

III. EVENTS LEADING UP TO THE CHAPTER 11 PETITION

A. Debtor's Organization and Business Operations

The Debtor is a corporation organized under the laws of the state of Nevada. The Debtor is a retail seller of museum quality works of art, luxurious home furnishings, fine jewelry and prestigious collectibles. The Debtor is a third generation family-owned and operated business. The Debtor's shareholders are Samuel Dweck (82%) and his son Issac Dweck (18%). Samuel Dweck is the president and Issac Dweck is the general manager.

Over the past seventeen (17) years, the Debtor has operated in the Grand Canal Shoppes located at The Venetian Hotel & Casino in Las Vegas, Nevada. The Debtor leases the premises from Grand Canal Shops II, LLC (the "Grand Canal Shoppes Landlord") pursuant to a lease, dated as of January 26, 2015, which was amended on or about October 12, 2015 (the

1 “Grand Canal Shoppes Lease”). The premises covered by the Grand Canal Shoppes Lease
2 consist of 8,741 square feet of ground floor space and 7,130 square feet of mezzanine space.
3 The Grand Canal Shops Lease also provides the Debtor use of an additional 8,406 square feet
4 of office and storage space. The Debtor and the Grand Canal Shoppes Landlord are also
5 parties to two related license agreements for additional storage space of 3,576 square feet
6 adjacent to the leased premises (the “Grand Canal Shoppes Storage Licenses”, and together
7 with the Grand Canal Shoppes Lease (the “Grand Canal Shoppes Agreements”). The monthly
8 rent and other charges under the Grand Canal Shoppes Agreement, as of the Petition Date, was
9 approximately \$265,948.

10 The Debtor also leases warehouse space in Las Vegas, Nevada from RG Property LLC
11 (the “Warehouse Landlord”), pursuant to a lease (the “Warehouse Lease”) entered into by the
12 Debtor and the Warehouse Landlord, dated August 1, 2005. The monthly rent is \$7,000.
13 Samuel Dweck and his wife jointly own 66.7% of the Warehouse Landlord.

14 **B. Pre-Petition Financing and Security Interests**

15 **1. Wells Fargo Bank Loans**

16 Prior to the Petition Date, the Debtor borrowed monies from Wells Fargo Bank, N.A.
17 (“Wells Fargo Bank”) under four facilities (collectively, the “Wells Fargo Loans”): (a) an SBA
18 Loan in the original principal amount of \$1,201,000; (b) a revolving line of credit in the
19 amount of \$500,000; (c) a term loan in the original principal amount of \$170,000; and (d) a
20 term loan in the original principal amount of \$205,000. As of the Petition Date, the balances
21 due on the Wells Fargo Loans were \$1,136,859.66, \$484,345.44, \$15,285.47 and \$72,523.91,
22 respectively, totaling \$1,709,014.48. As of the Petition Date, the Wells Fargo Loans were
23 secured by a first perfected priority security interest on the Debtor’s inventory, accounts,
24 equipment and general tangibles.

25 **2. American Express Bank Loan**

26 Prior to the Petition Date, on or about June 29, 2016, American Express Bank, FSB
27 (“American Express Bank”) made a loan (the “American Express Loan”) to the Debtor in the
28 amount of \$500,000. As of the Petition Date, the balance due on the American Express Loan
was \$478,726.18. As of the Petition Date, the American Express Loan was secured by a

1 perfected junior security interest in the Debtor's inventory, accounts, equipment, and general
2 intangibles.

3 **C. Pre-Petition Consignments**

4 Prior to the Petition Date, the Debtor received goods from certain vendors ("Pre-Petition
5 Consignors") which the Debtor intended to hold and sell on a consignment basis. Additionally,
6 prior to the Petition Date, the Debtor received goods from certain vendors ("Pre-Petition
7 Disputed Consignors") with whom the Debtor did not believe it had a consignment
8 arrangement, but who, subsequent to the Petition Date, have asserted that the goods were
9 delivered to the Debtor on a consignment basis. As of the Petition Date, the Debtor had
10 possession of goods (the "Petition Date Consignment Goods") delivered by: (a) eighteen (18)
11 Pre-Petition Consignors with an aggregate consignment price of \$920,145; and (b) two (2) Pre-
12 Petition Disputed Consignors with an aggregate consignment price of \$546,049. Additionally,
13 immediately prior to the Petition Date, the Debtor sold goods delivered by two (2) of the Pre-
14 Petition Consignors with an aggregate consignment price of \$85,971, which amount Debtor
15 placed into a segregated bank account (the "Petition Date Consignment Funds").

16 None of the Pre-Petition Consignors or the Pre-Petition Disputed Consignors filed a
17 UCC-1 Financing Statement with the Secretary of State of Nevada to perfect their interests.

18 **D. Grand Canal Shoppes Agreements Default**

19 As part of the Grand Canal Shoppes Lease, the Debtor added 5,160 square feet of
20 showroom space. Unfortunately, the Debtor's expansion coincided with the sharp decline in the
21 energy sector and turmoil within the Chinese economy. Tourists from Texas and China
22 historically provided a consistent and significant revenue stream for the Debtor. As that
23 revenue stream decreased, the Debtor's revenues declined. As a result of declining revenues
24 and the increased rent burden created from the expansion, the Debtor fell behind on the
25 payments due for the premises covered by the Grand Canal Shoppes Agreements. On August
26 23, 2016, the Grand Canal Shoppes Landlord sent a Notice of Default to the Debtor demanding
27 the payment of a past due balance of \$916,331.05 and advising that it would seek possession of
28 the premises if the entire amount was not paid within ten days of the Debtor's receipt of the
notice. The Debtor filed the Chapter 11 Case to preserve the Grand Canal Shoppes Agreements

1 and the going concern value of its business, to reorganize its affairs and to propose and confirm
2 a plan.

3 **IV. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE**

4 **A. Retention of Bankruptcy Counsel**

5 Pursuant to orders entered by the Bankruptcy Court, the Debtor retained Arnstein &
6 Lehr LLP as its lead bankruptcy counsel and Marquis Aurbach Coffing as its local bankruptcy
7 counsel. Effective September 1, 2017, Arnstein & Lehr LLP and Saul Ewing LLP merged. The
8 combined firm is known as Saul Ewing Arnstein & Lehr LLP.

9 **B. Use of Cash Collateral**

10 Pursuant to orders entered by the Bankruptcy Court, the Debtor has been authorized to
11 use the cash collateral of its secured lenders Wells Fargo Bank and American Express Bank
12 (i.e., to use the proceeds of the sales of goods) to pay for the expenses incurred by the Debtor in
13 the operation of its business and the administration of the Chapter 11 Case subsequent to the
14 Petition Date. As adequate protection for the Debtor's use of cash collateral, Wells Fargo Bank
15 and American Express Bank were granted replacement liens on the Debtor's property acquired
16 subsequent to the Petition Date to the extent, and with the same validity and priority, as any
17 liens held by Wells Fargo Bank and American Express Bank as of the Petition Date. As
18 additional adequate protection, subsequent to the Petition Date, the Debtor has made monthly
19 payments to Wells Fargo Bank of interest and, from and after December 20, 2016, of principal
20 too, in the approximate amounts as provided for in the loan documents. As a result of these
21 payments, as of August 31, 2017, the secured debt owed to Wells Fargo Bank has been reduced
22 by \$57,312.26.

23 **C. Bankruptcy Schedules**

24 On October 6, 2016, the Debtor filed its Bankruptcy Schedules listing the Debtor's
25 assets and liabilities as of the Petition Date. On October 12, 2016, the Debtor amended certain
26 of its Bankruptcy Schedules.

1 **D. Claims Bar Date**

2 The last date for all creditors (other than a governmental unit) to file a proof of claim in
3 the Chapter 11 Case was January 11, 2017. The last date for a governmental unit to file a proof
4 of claim in the Chapter 11 Case was March 6, 2017. Sixteen (16) proofs of claim were filed.

5 **E. Payment to Wells Fargo Bank by Samuel Dweck Further Reducing**
6 **Wells Fargo Bank Claim**

7 On February 13, 2017, the amount due on the Wells Fargo Loans was further reduced by
8 \$455,870.69 as a result of the sale of real property owned by Samuel Dweck. Wells Fargo Bank
9 held a junior mortgage on this property as additional security for the SBA Loan. The election of
10 Samuel Dweck to sell this property benefited the creditors of the Debtor by substantially
11 reducing the secured debt owed to Wells Fargo Bank.

12 **F. Cost Cutting Measures**

13 The Debtor has made substantial reductions in its operating costs (all costs excluding
14 payments for the Grand Canal Shoppes Agreements, the Wells Fargo Loans, the American
15 Express Loan, and purchases of new inventory). The Debtor has terminated several employees
16 and has reduced the salaries and commissions of all of the remaining employees. The Debtor
17 has also reduced the insurance coverages and benefit programs provided to employees. Samuel
18 Dweck and Issac Dweck, the owners and principals, have collectively reduced their
19 compensation by sixty-seven percent (67%). The Debtor has ceased using a freight consultant
20 and has streamlined its shipping department the frequency of truck deliveries. As a result of
21 these and many other reductions, the Debtor has reduced its operating expenses (from the levels
22 of September 2015) by over sixty percent (60%).

23 **G. Post-Petition Consignments**

24 Subsequent to the Petition Date, the Debtor has entered into Consignment Agreements
25 with several vendors (the "Post-Petition Consignment Agreements"). Under the Post-Petition
26 Consignment Agreements, the vendor retains ownership of a good until it is sold by the Debtor
27 to a customer. At that time, the vendor obtains a first priority security interest in the sale
28 proceeds and payment is subsequently made by the Debtor to the vendor for the good. For each
such vendor, a UCC-1 Financing Statement has been filed with the Secretary of State of Nevada

1 and notice has been given to Wells Fargo Bank and American Express Bank to perfect the
2 vendor's interest in the goods and sale proceeds.

3 **H. Receipts and Disbursements During Chapter 11 Case**

4 During the period from the Petition Date through August 31, 2017, the Debtor's receipts
5 totaled \$8,432,709 and disbursements totaled \$8,200,983. The breakdown per month is as
6 follows:

7 Month	Receipts	Disbursements
8 September 2016	\$535,058	\$298,016
9 October 2016	\$1,521,076	\$923,846
10 November 2016	\$638,986	\$895,563
11 December 2016	\$648,934	\$888,046
12 January 2017	\$843,241	\$778,766
13 February 2017	\$531,046	\$659,969
14 March 2017	\$767,185	\$817,020
15 April 2017	\$684,785	\$676,047
16 May 2017	\$568,657	\$743,700
17 June 2017	\$567,373	\$518,659
18 July 2017	\$413,175	\$409,578
19 August 2017	\$713,193	\$591,773

20 **I. Post-Petition Payments to the Grand Canal Shoppes Landlord**

21 Subsequent to the Petition Date, the Debtor paid the pro-rata portion of the rent and
22 other charges due for September 2016 (i.e. for the period September 5-30, 2016) under the
23 Grand Canal Shoppes Agreements and the full amount due for the months of October 2016
24 through May 2017. For June 2017, the Debtor paid \$150,000, leaving an unpaid amount of
25 \$123,245.24. For each of the months of July, August and September 2017, the Debtor paid
26 \$100,000, leaving an unpaid amount of \$519,735.72. The Debtor anticipates making payments
27 for October, November and December 2017 of \$159,000, \$186,000 and \$186,000, leaving an
28 unpaid amount of \$288,735. The payments made for July through September 2017 and those
anticipated to be made for October through December 2017 are consistent with the terms of the
Restructured Grand Canal Shoppes Agreements (discussed below). If the Plan is confirmed and
the Grand Canal Shoppes Agreements are restructured, the Debtor will not be liable for the
unpaid amounts for July through December 2017 (because the Restructured Grand Canal
Shoppes Agreements are effective as of July 1, 2017). If the Plan is not confirmed and the

1 Grand Canal Shoppes Agreements are not restructured, these unpaid amounts will remain as
2 administrative expenses.

3 **J. Restructuring of the Grand Canal Shoppes Agreements**

4 The Debtor and the Grand Canal Shoppes Landlord have agreed to restructure the Grand
5 Canal Shoppes Agreements. The restructuring shall be effectuated through amendments to the
6 Grand Canal Shoppes Agreements and the Debtor's assumption of the Grand Canal Shoppes
7 Agreements as amended (the "Restructured Grand Canal Shoppes Agreements"). The
8 restructuring will only be effective, however, if the Plan is confirmed.

9 The principal terms of the amendments to the Grand Canal Shoppes Agreements are as
10 follows:

- 11 • Effective July 1, 2017, the annual gross rent (including rent and charges) shall be
12 reduced to \$1,920,000 (averaging \$160,000 per month). The Grand Canal
13 Shoppes Landlord may allocate the gross figure in its sole discretion (as among
14 rent, storage fees, utilities, etc.).
- 15 • The annual gross rent shall be payable in varying monthly installments to reflect
16 the Debtor's seasonality and historical results, as follows: \$100,000 in July,
17 August and September, \$159,000 in June and October, and \$186,000 in January-
18 May and November-December.
- 19 • The reduced monthly rent shall be subject to annual increases of three percent
20 (3%) commencing January 1, 2019.
- 21 • Commencing July 1, 2017 and continuing through December 2018, the monthly
22 payments of rent and charges may be made in two equal installments on the fifth
23 (5th) and twentieth (20th) of each month.
- 24 • The balance of unpaid June 2017 rent and charges, which total \$123,245.24,
25 shall be paid as "additional rent," over a three year period, in monthly
26 installments, commencing on the first calendar month following the Effective
27 Date of the Plan.
- 28 • The unpaid rent for the period September 1-4, 2016 (\$16,979.42) shall be paid
within thirty (30) days after the Effective Date of the Plan.

- 1 • The “Percentage Rent Breakpoint” provided by Sections 1.0(h) and 1.0(i) of the
2 Grand Canal Shoppes Lease shall be amended to provide for ten percent (10%)
3 Percentage Rent over an Annual Breakpoint of \$9,000,000.
- 4 • The Debtor shall return to the Grand Canal Shoppes Landlord certain space in
5 the store front (approximately 832 s.f.). Reconfiguration of the space shall be at
6 the Grand Canal Shoppes Landlord’s expense, with the space recaptured
7 following thirty (30) days’ written notice from the Grand Canal Shoppes
8 Landlord.
- 9 • Within 45 days of Bankruptcy Court approval (either by motion to assume the
10 Restructured Grand Canal Shoppes Agreements or confirmation of the Plan),
11 Debtor shall return to the Grand Canal Shoppes Landlord 5,546 square feet of
12 storage space.
- 13 • The existing pre-petition arrearage of \$975,561.23 (the “Abated Arrearage
14 Amount”) shall be held in abeyance (with no enforcement action by the Grand
15 Canal Shoppes Landlord), with the balance conditionally reduced as follows: (1)
16 to the extent that the Debtor is open and operating and not otherwise in default
17 under the Restructured Grand Canal Shoppes Agreements (beyond the applicable
18 notice and cure period set forth in the Restructured Grand Canal Shoppes
19 Agreements), the Abated Arrearage Amount shall be reduced by one-third (1/3)
20 on January 31, 2019, an additional one-third (1/3) on January 31, 2020, with the
21 remaining balance of the Abated Arrearage Amount waived on January 31, 2021;
22 and (2) in no event shall the Abated Arrearage Amount decrease during any
23 period in which the Debtor is in default under the Restructured Grand Canal
24 Shoppes Agreement, but such decrease shall take place retroactively provided
25 that such default is cured, provided that no such decrease shall thereafter take
26 effect in the event the Grand Canal Shoppes Agreements are terminated early by
27 the Grand Canal Shoppes Landlord due to such default by the Debtor. If the
28 Grand Canal Shoppes Landlord exercises its early termination option (i.e., not

1 based on a default), any balance of the Abated Arrearage Amount shall be
2 waived.

- 3 • The Debtor shall grant the Grand Canal Shoppes Landlord a security interest,
4 within the meaning of and pursuant to the Nevada Uniform Commercial Code, as
5 to all of Debtor's inventory, equipment, fixtures, furnishings, and other personal
6 property, and the proceeds thereof as security for the Debtor's obligations under
7 the Restructured Grand Canal Shoppes Agreements, including, without
8 limitation, tenant's obligation to pay accruing rent and charges under the
9 Restructured Grand Canal Shoppes Agreements (whether or not denominated as
10 rent in the Restructured Grand Canal Shoppes Agreement) and the Abated
11 Arrearage Amount. The Debtor shall authorize the Grand Canal Shoppes
12 Landlord to file such Uniform Commercial Code financing statements or other
13 filings as the Grand Canal Shoppes Landlord deems appropriate in order to
14 perfect its security interest and the Debtor further agrees to sign such financing
15 statements or other documents as reasonably requested to further secure the
16 Grand Canal Shoppes Landlord's interest. Such security interest shall be subject
17 and subordinate to the prior liens and security interests held by Wells Fargo
18 Bank and American Express Bank.
- 19 • Landlord shall have the option, in its sole discretion, to terminate the
20 Restructured Grand Canal Shoppes Agreements upon a minimum of eight (8)
21 months' written notice. Such notice may not provide for a termination date
22 between October 15 and January 15 in any year (so-called "holiday protection").
23 The Grand Canal Shoppes Landlord's exercise of its termination option shall not
24 excuse or release the Debtor from its obligation to pay the deferred balance of
25 June 2017 rent and charges, set forth above.
- 26
27
28

1 **V. THE PLAN**

2 **The following summary of the principal provisions of the Plan is qualified in its**
3 **entirety by reference to the provisions of the Plan, a copy of which is annexed to this**
4 **Disclosure Statement as "Exhibit A" and which is incorporated herein by reference. This**
5 **summary should not be used as a substitute for actually studying the Plan itself.**

6 **A. General Background**

7 A “creditor” is defined in the Bankruptcy Code, as an "entity that has a claim against the
8 debtor that arose at the time of or before the order for relief concerning the debtor". The term
9 “claim” is defined in the Bankruptcy Code as a “right to payment . . . [or a] right to an equitable
10 remedy for breach of performance if such breach gives rise to a right to payment” The
11 term “interest” is not defined in the Bankruptcy Code but is used to describe proprietary rights,
12 which in corporate cases such as these means the common stock of the Debtor.

13 Generally, a chapter 11 plan (i) divides claims and interests into classes, (ii) specifies the
14 property or treatment each class will receive under the plan, and (iii) otherwise provides for the
15 adjustment of liabilities of the debtor.

16 Under a chapter 11 plan, "claims" and "interests" are classified rather than classifying
17 "creditors" and "equity security holders" because a creditor or equity security holder may have
18 various claims or interests which fall into more than one classification. For example, a secured
19 creditor may be undersecured, and under section 506(a) of the Bankruptcy Code that creditor's
20 claim would be treated as secured to the extent of the value of the security and unsecured as to
21 the remainder of the claim. Each creditor or equity security holder then votes their claim or
22 interest to accept or reject the plan of reorganization in each class.

23 **B. Administrative Expense Claims and Priority Tax Claims**

24 In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense
25 Claims and Priority Tax Claims have not been classified. Holders of Administrative Expense
26 Claims and Priority Tax Claims do not have a right to vote to accept or reject the Plan.
27 However, Administrative Expense Claims and Priority Tax Claims are identified in this
28 Disclosure Statement and the accompanying Plan, and their treatment is described, to promote

1 "enabl[ing] a hypothetical reasonable investor typical of holders of claims or interests of the
2 relevant class to make an informed judgment about the plan[.]"

3 **1. Administrative Expense Claims**

4 An Administrative Expense Claim is a Claim that is entitled to priority under Sections
5 503(b) and 507(a)(1) of the Bankruptcy Code.

6 The Administrative Expense Claims consist of: (a) the fees and expenses of the Debtor's
7 Bankruptcy Counsel, (b) the claim of the Grand Canal Shoppes Landlord for unpaid rent and
8 other charges due under the Grand Canal Shoppes Agreements accrued during the Chapter 11
9 Case, (c) the Claims for goods provided and services rendered to the Debtor during the Chapter
10 11 Case ("Administrative Trade Claims"), and (d) the Claims for goods received by the Debtor
11 within 20 days before the Petition Date.

12 Pursuant to orders of the Bankruptcy Court, the Debtor has made payments to the
13 Debtor's Bankruptcy Counsel for a portion of their fees and expenses. As of August 31, 2017,
14 the Debtor's Bankruptcy Counsel had accrued fees and incurred expenses totaling
15 approximately \$165,000 for which payment had not been made.

16 There are two (2) Claims for goods delivered to the Debtor within twenty (20) days
17 before the Petition Date, as follows:

<u>Creditor</u>	<u>Date Goods Delivered</u>	<u>Amount</u>
Autruche	August 24, 2016	\$1,501.00
Simon Fine Art	August 31, 2016	\$1,760.00

21 Under the terms of the Restructured Grand Canal Shoppes Agreements, the unpaid rent
22 and other charges for June 2017 shall be paid over a three year period in monthly installments,
23 commencing on the first month following the Effective Date. Additionally, the Restructured
24 Grand Canal Shoppes Agreements shall be effective as of July 1, 2017. The Debtor has paid or
25 will have paid all rent from and after July 1, 2017 as provided for in the Restructured Grand
26 Canal Shoppes Agreements. Accordingly, there will be no Administrative Expense Claim for
27 the period from and after July 1, 2017.

28 Under the Plan, the holder of an Allowed Administrative Trade Claim, to the extent
unpaid as of the Effective Date, shall be paid in Cash in full in the ordinary course of business

1 in accordance with contract terms or as otherwise agreed to by the Debtor and the holder of such
 2 claim. The holders of all other Allowed Administrative Expense Claims shall be paid in Cash
 3 in full (except to the extent a holder agrees to some other treatment) on the later of the Effective
 4 Date or the date such Claim becomes an Allowed Claim.

5 **2. Priority Tax Claims**

6 A Priority Tax Claim is a claim of a governmental unit of a type that is entitled to
 7 priority under section 507(a)(8) of the Bankruptcy Code. The Priority Tax Claims consist of:

<u>Governmental Unit</u>	<u>Type of Tax</u>	<u>Amount</u>
Nevada Dept. of Revenue	Sales	\$16,539.17

8
 9
 10 Under the Plan, the holder of an Allowed Priority Tax Claim, unless otherwise agreed to
 11 by such holder, shall receive, in full satisfaction of such Claim, Cash payments equal to the
 12 unpaid portion of such Claim in quarterly installments commencing on the Initial Distribution
 13 Date and ending on or before September 4, 2021 with interest at four percent (4.0%) per annum.
 14 These Claims, however, may be prepaid at any time without further interest or penalty.

15 **C. Classification of Claims and Interests**

16 The Plan proposes eight classes of Claims and Interests for purposes of voting on the
 17 Plan and making distributions thereunder, namely:

- 18 Class 1 – Wells Fargo Bank Secured Claim
- 19 Class 2 – American Express Bank Secured Claim
- 20 Class 3 – Ally Financial Secured Claim
- 21 Class 4 – Customer Deposit/Store Credit Claims
- 22 Class 5 – Consignment Claims
- 23 Class 6 – General Unsecured Claims
- 24 Class 7 – Insider Claims
- 25 Class 8 – Interests

26 **D. Treatment of Classified Claims and Interests**

27 **1. Class 1 – Wells Fargo Bank Secured Claim** Wells Fargo Bank filed a
 28 proof of claim for the Wells Fargo Bank Secured Claim in the amount of \$1,709,014.48. The

1 Wells Fargo Bank Secured Claim is secured by a first lien on the Debtor's assets and is
2 described more fully in section III.B.1 above. As a result of payments made to Wells Fargo
3 Bank during the Chapter 11 Case by the Debtor and Samuel Dweck, as described above, the
4 amount of the Wells Fargo Bank Secured Claim, as of August 31, 2017, is approximately
5 \$1,150,000. Wells Fargo Bank shall receive, in full satisfaction of the Allowed Wells Fargo
6 Bank Secured Claim: (a) monthly payments of \$17,177.04 through November 30, 2017, (b) for
7 December 2017, a payment of \$10,932.37, and (c) as of January 1, 2018, for the remaining
8 balance of the Allowed Wells Fargo Bank Secured Claim, monthly payments of principal and
9 interest amortized over seven (7) years with interest at six percent (6%) per annum. The Debtor
10 estimates that these monthly payments shall be approximately \$16,500. Wells Fargo Bank shall
11 retain the Lien it held on Debtor's assets as of the Petition Date until full payment of the Wells
12 Fargo Bank Secured Claim is made as provided in this Plan.

13 **2. Class 2 – American Express Bank Secured Claim** American Express
14 Bank filed a proof of claim for the American Express Bank Secured Claim in the amount of
15 \$478,726.18. The American Express Bank Secured Claim is secured by a junior lien on the
16 Debtor's assets and is more fully described in section III.B.2 above. American Express Bank
17 shall receive, in full satisfaction of the Allowed American Express Bank Secured Claim,
18 monthly payments of principal and interest amortized over seven (7) years with interest at four
19 and eight-tenths percent (4.8%) per annum. The Debtor estimates that these monthly payments
20 shall be approximately \$6,500. American Express Bank shall retain the Lien it held on Debtor's
21 assets as of the Petition Date until full payment of the American Express Bank Secured Claim is
22 made as provided in the Plan.

23 **3. Class 3 – Ally Financial Secured Claim** On February 23, 2013, the
24 Debtor purchased a 2011 Cadillac Escalade VIN 1GYS3JEF8BR326432 (the "Escalade"). The
25 Debtor financed the purchase of the Escalade with a loan from Ally Financial. To secure the
26 repayment of the loan, the Debtor granted a security interest in the Escalade to Ally Financial.
27 The Certificate of Title to the Escalade names Ally Financial as the lienholder. Ally Financial
28 filed a proof of claim in the amount of \$32,849.89. Subsequent to the Petition Date, the Debtor

1 continued to make monthly payment to Ally Financial of \$1,112.38. As a result, the amount
2 due Ally Financial, as of September 15, 2017, is \$20,571.05.

3 Under the Plan, Ally Financial shall continue to receive monthly payments of
4 \$1,112.38. Ally Financial shall retain its lien on the Escalade. In the event, the Reorganized
5 Debtor decides to sell the Escalade, Ally Financial shall receive payment of the full amount
6 due Ally Financial at that time.

7 **4. Class 4 – Customer Deposit/Store Credit Claims** In the normal course
8 of business, the Debtor often received a deposit from a customer for the purchase of a good.
9 It was the Debtor's policy to issue a store credit to a customer who had made a deposit if: (a)
10 the customer subsequently advised the Debtor that he/she no longer desired to purchase the
11 good, or (b) the Debtor had not heard from the customer for some time and the Debtor was
12 unsuccessful in contacting the customer. When the Debtor issued the store credit it no longer
13 held the particular good for the customer. As of the Petition Date, the Debtor held thirty-seven
14 (37) deposits from thirty-five (35) customers in the aggregate amount of \$224,832.19 for the
15 purchase of goods. Additionally, as of the Petition Date, the Debtor had issued store credits to
16 nine (9) customers, in lieu of a deposit, in the aggregate amount of \$62,768.

17 Subsequent to the Petition Date: (a) certain customers, who as of the Petition Date had
18 made twelve (12) deposits totaling \$164,227.19, paid in full for the purchase of the good and
19 received delivery of the good; (b) one customer, who had a store credit of \$1,900 as of the
20 Petition Date, used the credit to purchase a good, and (c) one customer, who made a deposit of
21 \$1,000 three (3) days prior to the Petition Date, received a refund. Accordingly, these
22 customers no longer have a Customer Deposit/Store Credit Claim.

23 Additionally, subsequent to the Petition Date, certain customers, who had twenty-one
24 deposits totaling \$58,650.00, either informed the Debtor that they did not want to purchase the
25 good or have not been in contact with the Debtor and these customers received a store credit to
26 be applied to any future purchase of a good. The remaining customers, who have three
27 deposits totaling \$955.00, have continued to make payments toward the purchase of the good.
28

1 Accordingly, as of September 15, 2017, there were thirty-one (31) customers holding
2 store credits totaling \$119,518 and customers with three (3) deposits totaling \$955.00.

3 Under section 507(a)(7) of the Bankruptcy Code, a claim of an individual, arising from
4 the deposit of money in connection with the purchase of property for personal or household use
5 that was not delivered, is entitled to priority treatment up to \$2,850. A customer's claim for
6 store credit is arguably a claim "arising from a deposit of money" and is thus entitled to the
7 same priority under section 507(a)(7) as a deposit. Moreover, the Debtor believes that it is
8 prudent to treat these claims the same as those for deposits. Further, the Debtor believes that it
9 is prudent to honor the store credits for the full amount of the credit.

10 Under the Plan, the rights and interests of the holder of an Allowed Customer
11 Deposit/Store Credit Claim will not be altered. The holder of an Allowed Customer
12 Deposit/Store Credit Claim may apply the deposit or store credit toward the purchase of any
13 good.

14 **5. Class 5 – Consignment Claims** The Pre-Petition Consignors and the
15 Pre-Petition Disputed Consignors have asserted consignment rights to goods delivered to the
16 Debtor. The Debtor believes that it can avoid the consignment interests of the Pre-Petition
17 Consignors and the Pre-Petition Disputed Consignors, under section 544 of the Bankruptcy
18 Code, due to their failure to file a UCC-1 financing statement with the Nevada Secretary of
19 State.

20 Rather than incurring the costs and uncertainty of litigation, however, the Debtor
21 believes that it is preferable to settle these claims by paying a percentage of the consignment
22 price for the Petition Date Consignment Goods and the Petition Date Consignment Funds to
23 the Pre-Petition Consignors and the Pre-Petition Disputed Consignors as a Consignment Claim.
24 The Debtor shall agree to pay twenty-five percent (25%) of the consignment price to the Pre-
25 Petition Consignors and fifteen percent (15%) of the consignment price to the Pre-Petition
26 Disputed Consignors. These amounts shall be Allowed Consignment Claims. The balance of
27 any Claim of the Pre-Petition Consignors and the Pre-Petition Disputed Consignors shall be
28 treated as a General Unsecured Claim.

1 The Debtor has reached an agreement with several of the Pre-Petition Consignors and
2 Pre-Petition Disputed Consignors and will continue to try to reach a settlement with the rest.
3 These settlements shall be presented to the Court for approval by motions. If the Debtor is
4 unable to reach a settlement with any Pre-Petition Consignor or Pre-Petition Disputed
5 Consignor, the Debtor shall file an adversary complaint against such Pre-Petition Consignor or
6 Pre-Petition Disputed Consignor to avoid any consignment interests of the Pre-Petition
7 Consignor or Pre-Petition Disputed Consignor.

8 The holder of an Allowed Consignment Claim shall receive, in full satisfaction of such
9 Claim, payments in Cash as follows: (a) for all payments on account of the Pre-Petition Date
10 Consignment Funds and Petition Date Consignment Goods sold as of the entry of the
11 Confirmation Order, payment shall be made on the Effective Date; and (b) for all Petition Date
12 Consignment Goods sold after the entry of the Confirmation Order, payments shall be made on
13 or before the tenth (10th) day of the month for all Petition Date Consignment Goods sold during
14 the prior month. On the Effective Date and on or before the tenth (10th) day of each month
15 thereafter, the Reorganized Debtor shall provide each Pre-Petition Consignor and each Pre-
16 Petition Disputed Consignor with a report showing the Petition Date Consignment Goods sold,
17 the Petition Date Consignment Goods on hand and the Consignment Claim payments.

18 **6. Class 6 – General Unsecured Claims** General Unsecured Claims
19 consist of all Claims that are not otherwise classified (and that are not Administrative Expense
20 Claims or Priority Tax Claims). After taking into account the anticipated resolution of
21 Consignment Claims, the Debtor estimates that there are approximately one-hundred (100)
22 General Unsecured Claims aggregating approximately \$4,821,265. The General Unsecured
23 Claims consist of Claims for: goods (61) - \$3,752,503, services and supplies (31) - \$169,842,
24 loans (4) - \$488,652 and credit cards (4) - \$410,268.

25 The holder of an Allowed General Unsecured Claim shall receive, in full satisfaction of
26 such Claim, payments in Cash totaling twenty-five percent (25%) of the amount of such
27 Allowed Claim. The payments shall be made in equal quarterly installments over five years.
28 The first payment shall be made on the later of: January 8, 2018 or the Effective Date.

1 Thereafter, payment shall be made on the first Business Day of April, July, October and January
2 of each year.

3 **7. Class 7 – Insider Claims** Samuel Dweck has a Claim of \$582,783
4 for loans made to the Debtor. Samuel Dweck may also have a Claim based upon a right of
5 subrogation for the \$455,870.69 payment made to Wells Fargo Bank from the sale of real
6 property owned by Samuel Dweck (described in IV.E. above). Samuel Dweck has agreed to
7 waive his Claims. Michael Saka, a former shareholder of the Debtor, has a Claim of \$413,000
8 based upon a buy-out agreement. The Debtor believes that the Claim of Michael Saka should
9 be subordinated to General Unsecured Claims under section 510(b) the Bankruptcy Code.
10 Accordingly, the holder of any Allowed Insider Claim shall not receive any payment or
11 distribution on account of such claim.

12 **8. Class 8 – Interests** Samuel Dweck and Issac Dweck shall retain their
13 Interests in the Debtor as the Reorganized Debtor.

14 **E. Executory Contracts and Unexpired Leases**

15 **1. Grand Canal Shoppes Agreements** As of the Effective Date: (a) the Debtor
16 shall enter into the Grand Canal Shoppes Agreements Amendments with the Grand Canal
17 Shoppes Landlord, and (b) the Debtor shall assume the Restructured Grand Canal Shoppes
18 Agreements.

19 **2. Leases and Subleases For Drivers** As of the Petition Date, the Debtor leased
20 three condominium units (4941 River Glen Dr., Units #10, #16 and #49, Las Vegas, NV) and a
21 single family home (9805 Cactus View Ave., Las Vegas, NV) and subleased these properties to
22 certain drivers employed by the Debtor. These leases and subleases have been terminated.

23 **3. Assumption of Other Executory Contracts and Unexpired Leases** All
24 executory contracts and unexpired leases of the Debtor entered into prior to the Petition Date
25 that have not been terminated or that are not: (a) expressly assumed or rejected by the Debtor
26 pursuant to orders of the Court entered prior to the Confirmation Date, or (b) not otherwise
27 specifically treated in this Plan, shall be assumed as of the Confirmation Date in accordance
28 with the provisions of sections 365 and 1123(b)(2) of the Bankruptcy Code.

1 **F. No Release of Third Parties**

2 Nothing in the Plan shall be deemed a release of any guarantor of any of the Debtor's
3 liabilities.

4 **G. Chapter 5 Causes of Action**

5 Under Chapter 5 of the Bankruptcy Code, the Debtor may seek to avoid and recover
6 certain transfers made by the Debtor ("Chapter 5 Causes of Action") including preferential
7 transfers and fraudulent transfers. The Debtor and the Reorganized Debtor shall not pursue any
8 Chapter 5 Causes of action.

9 **VI. MEANS FOR EXECUTION OF THE PLAN**

10 **A. Retention of Property and Causes of Action** All property of the

11 Debtor's Estate shall be retained by the Reorganized Debtor. Except as otherwise provided in
12 the Plan, the Reorganized Debtor shall retain all rights to assert, commence, pursue, enforce, or
13 settle, as appropriate, any and all Causes of Action. As noted above, under the Plan, the Debtor
14 and the Reorganized Debtor shall not pursue any Chapter 5 Causes of Action.

15 **B. Restructured Grand Canal Shoppes Agreements** The Debtor and the

16 Grand Canal Shoppes Landlord shall enter into the Grand Canal Shoppes Agreements
17 Amendments, and the Debtor shall assume the Restructured Grand Canal Shoppes Agreements.
18 The Debtor intends to file a motion for authority to enter into the Grand Canal Shoppes
19 Agreements Amendments and to assume the Restructured Grand Canal Shops Agreements. The
20 Restructured Grand Canal Shoppes Agreements shall be effective as of July 1, 2017. The
21 execution of the Grand Canal Shoppes Agreements Amendments and the Debtor's assumption
22 of the Restructured Grand Canal Shoppes Agreements, however, shall be conditioned upon the
23 confirmation of the Plan.

24 **C. Disbursements Under the Plan** All disbursements required to be made
25 under the Plan shall be made by the Reorganized Debtor.

26 **D. Source of Funds** The funds for the disbursements required to be made

27 under the Plan shall be obtained from: (a) Cash held by the Reorganized Debtor as of the
28 Effective Date, and (b) revenues generated by the continued operation of business of the
Reorganized Debtor.

1 **E. Disclosure of Directors and Officers** The directors of the Debtor,
2 Samuel Dweck and Issac Dweck, shall continue as directors of the Reorganized Debtor.
3 Samuel Dweck, the president of the Debtor, shall continue as the president of the Reorganized
4 Debtor. Issac Dweck, the general manager of the Debtor, shall continue as the general manager
5 of the Reorganized Debtor. As of September 1, 2017, the total annual compensation to be paid
6 to Samuel Dweck and Issac Dweck is \$225,000.

7 **F. Post-Confirmation Professional Fees and UST Fees** Subsequent
8 to the Confirmation Date, the Reorganized Debtor will require the services of Debtor's
9 Bankruptcy Counsel to effectuate the Plan. The fees and expenses of Debtor's Bankruptcy
10 Counsel for such services shall be paid by the Reorganized Debtor without further order of the
11 Court. Subsequent to the Confirmation Date and until the Chapter 11 Case is closed, the
12 Reorganized Debtor shall continue to pay all fees due the United States Trustee pursuant to 28
13 U.S.C. § 1930(a)(6).

14 **G. Amendment to Charter** The charter of the Reorganized Debtor shall
15 be amended to include a provision prohibiting the issuance of non-voting equity securities.

16 **VII. CONFIRMATION REQUIREMENTS AND PROCEDURES**

17 To be confirmable, the Plan must meet the requirements listed in sections
18 1129(a) or (b) of the Bankruptcy Code. These include the requirements that: the Plan must be
19 proposed in good faith; at least one impaired class of claims must accept the Plan, without
20 counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at
21 least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation
22 case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be
23 feasible. These requirements are not the only requirements listed in section 1129, and they are
24 not the only requirements for confirmation.

25 **A. Voting Procedures and Requirements**

26 Pursuant to the Bankruptcy Code, only classes of claims against or equity interests in a
27 debtor that are "impaired" under the terms of a plan of reorganization are entitled to vote to
28 accept or reject a plan. A Class is "impaired" if the legal, equitable or contractual rights
attaching to the claims or interests of that class are modified, other than by curing defaults and

1 reinstating maturity. Classes of Claims and Interests that are not impaired are not entitled to
2 vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes
3 of Claims and Interests that do not receive distributions under the Plan are not entitled to vote
4 on the Plan and are deemed to have rejected the Plan.

5 **1. Unimpaired Classes Under the Plan**

6 Class 3 (Ally Financial Secured Claim), Class 4 (Customer Deposit/Store Credit
7 Claims), Class 5 (Consignment Claims) and Class 8 (Interests) are unimpaired by the Plan. By
8 virtue of their status as an unimpaired classes, Class 3, Class 4, Class 5 and Class 8 are
9 conclusively presumed to have accepted the Plan in accordance with Section 1126(f) of the
10 Bankruptcy Code. Accordingly, the Debtor is not required to solicit votes of Class 3, Class 4,
11 Class 5 and Class 8 with respect to the acceptance or rejection of the Plan.

12 **2. Impaired Classes Under the Plan**

13 Class 1 (Wells Fargo Bank Secured Claim), Class 2 (American Express Bank Secured
14 Claim), Class 6 (General Unsecured Claims) and Class 7 (Insider Claims) are impaired by the
15 Plan. Because the Plan does not entitle the holders of Claims in Class 7 to receive or retain any
16 property under the Plan on account of such Claims, Class 7 is deemed to have rejected the Plan
17 in accordance with Section 1126(g) of the Bankruptcy Code. Accordingly, the Debtor is not
18 required to solicit votes of Class 7 with respect to the acceptance or rejection of this Plan.
19 Classes 1, 2 and 6 are entitled to vote to accept or reject the Plan.

20 The Bankruptcy Code requires that where one or more classes of impaired claims are
21 created under the proposed plan, at least one impaired class must accept the plan. An impaired
22 class of claims is deemed to have accepted the plan if the plan is accepted by creditors in such a
23 class holding at least two-thirds in dollar amount and more than one-half in the number of the
24 Allowed Claims of such class of creditors who actually vote. For purposes of voting to accept a
25 proposed plan by an impaired class, an insider's vote does not count pursuant to section
26 1129(a)(10) of the Bankruptcy Code.

27 A creditor who holds claims in multiple classes is entitled to accept or reject a Plan in
28 each capacity and should cast one ballot for each claim.

1 The Bankruptcy Code also contains provisions for confirmation of the Plan, even if it is
2 not accepted by all impaired classes, as long as at least one impaired class of claims has voted to
3 accept it. This process, provided for in section 1129(b) of the Bankruptcy Code, is commonly
4 referred to as a "cram-down" of the Plan. Under Section 1129(b) of the Bankruptcy Code, the
5 Court must find that the Plan does not discriminate unfairly and is fair and equitable with
6 respect to each class of claims that is impaired and has not voted to accept the plan.

7 A notice of hearing on confirmation of the Plan is being distributed contemporaneously
8 with this Disclosure Statement. At this hearing, the Bankruptcy Court shall determine whether
9 the Plan has been accepted by the requisite number of claimants and whether the other
10 requirements for confirmation of the Plan have been satisfied.

11 **B. Liquidation Analysis**

12 To confirm the Plan, the Court must find that all creditors and equity interest holders
13 who do not accept the Plan will receive at least as much under the Plan as such claim and equity
14 interest holders would receive in a chapter 7 liquidation.

15 This Plan provides creditors with a dividend equal to or greater than the dividend that
16 they would receive if the Debtor's estate was liquidated under chapter 7 of the Bankruptcy
17 Code. **Under a chapter 7 liquidation, the Debtor believes that the holders of General
18 Unsecured Claims would receive no payment on their claims.** A liquidation analysis as if
19 the Debtor's assets were liquidated under chapter 7 is attached hereto as Exhibit B.

20 **C. Feasibility of the Plan**

21 To confirm the Plan, the Court must find that confirmation of the Plan is not likely to be
22 followed by the liquidation, or the need for further financial reorganization, of the Debtor or any
23 successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan. The
24 Debtor believes that it will have enough cash on hand on the Effective Date of the Plan to pay
25 all the claims and expenses that are entitled to be paid on that date and that it will have enough
26 cash over the life of the Plan to make the required Plan payments.

27 The Debtor's projected cash flow and budget for the period January 1, 2018 through
28 December 31, 2018, showing all anticipated income and expenses including Plan payments, is
attached hereto as Exhibit C.

1 **VIII. EFFECT OF CONFIRMATION**

2 On the Effective Date of the Plan, the provisions of the Plan bind the Debtor and any
3 creditors whether or not the claim of such creditors is impaired and whether or not such creditor
4 has accepted the Plan.

5 Except as otherwise provided in the Plan or the Confirmation Order, the confirmation of
6 the Plan vests all of the property of the estate in the Reorganized Debtor.

7 Except as otherwise provided in the Plan or the Confirmation Order, on the Effective
8 Date, the Debtor's property shall be free and clear of all claims and interests of creditors.

9 On the Effective Date of the Plan, the Debtor shall be discharged from any debt that
10 arose before confirmation of the Plan, to the extent specified in section 1141(d)(1)(A) of the
11 Bankruptcy Code. The Debtor shall not be discharged of any debt imposed by the Plan. After
12 the Effective Date of the Plan, your claims against the Debtor will be limited to the debts
13 imposed by the Plan.

14 **IX. TAX CONSEQUENCES**

15 The Debtor has not sought or obtained rulings from the Internal Revenue Service
16 or any state or local taxing authority with respect to the tax consequences, if any, of the Plan
17 and the distributions contemplated thereunder. **CREDITORS ARE URGED TO CONSULT
18 THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES TO THEM UNDER
19 FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS OF THE EFFECT
20 OF THE PLAN AND DISTRIBUTIONS MADE THEREUNDER.**

21 **X. CONFIRMATION HEARING AND VOTING PROCEDURE**

22 **A. Hearing to Confirm Plan and For Final Approval of Disclosure**
23 **Statement**

24 The hearing at which the Bankruptcy Court will determine whether to finally approve
25 this Disclosure Statement and confirm the Plan will take place on December __, 2017 at __: __
26 __.m. in Courtroom 3, Folely Federal Building, 300 Las Vegas Boulevard South, Las Vegas, NV
27 89101.
28

1 **B. Voting Deadline**

2 The Bankruptcy Court has set _____, 2017 ("Voting Deadline") as the date
3 by which ballots to accept or reject the Plan by creditors and equity security holders entitled to
4 vote must be received by the Debtor's counsel. All ballots must be received by the Debtor's
5 counsel at the following address:

6 Saul Ewing Arnstein & Lehr LLP
7 161 North Clark Street, Suite 4200
8 Chicago, Illinois 60601
Attn: David A. Golin

9 A copy of this Disclosure Statement, the Plan, and a notice of the confirmation hearing
10 to accept or reject the Plan are being sent to all creditors and equity security holders. Ballots are
11 being sent to holders of claims and interests which are impaired under this Plan and who are not
12 deemed to have rejected the Plan. The ballot must be properly completed pursuant to the
13 instructions thereupon and must be received by the Debtor's counsel by the Voting Deadline.
14 The completed ballot must clearly indicate whether the vote is cast to accept or to reject the
15 Plan, and must be signed by the creditor or equity security holder or his or her authorized agent.
16 If a ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a
17 corporation or other person acting in a fiduciary or representative capacity, such person should
18 indicate such capacity when signing the ballot and attach proper evidence of his or her authority
19 to so act. **A BALLOT NOT PROPERLY EXECUTED OR RECEIVED BY THE**
20 **VOTING DEADLINE SHALL NOT BE COUNTED.**

21 Pursuant to Federal Rule of Bankruptcy Procedure 3018(a), the Bankruptcy Court, after
22 notice and a hearing, may permit a creditor or equity security holder to change or withdraw an
23 acceptance or rejection for cause.

24 **C. Objection Deadline**

25 The Bankruptcy Court has set _____, 2017 ("Objection Deadline") as the date
26 by which any objection to the Plan or to the final approval of the Disclosure Statement must be
27 filed and served.
28

Exhibit A

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 David A. Golin (Illinois Bar No. 6180517)
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*Attorneys for Debtor
 and Debtor in Possession*

11
 12
 13 **UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF NEVADA**

14 In re: 15 REGIS GALERIE, INC., a Nevada 16 corporation, 17 Debtor.	Case No.: 16-14899-gs Chapter 11 DEBTOR'S PLAN OF REORGANIZATION
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18
 19 Regis Galerie, Inc., debtor ("Debtor"), proposes the following Plan, pursuant to the
 20 provisions of chapter 11 of the Bankruptcy Code.

21 **ARTICLE 1. DEFINITIONS.**

22 As used in this Plan, the following terms shall have the meanings set forth below, and
 23 such meanings shall be equally applicable to the singular and plural forms of the terms defined
 24 unless the context requires otherwise. Unless otherwise defined herein, the terms used in this
 25 Plan shall have the same meaning ascribed thereto in the Bankruptcy Code and the Bankruptcy
 26 Rules.
 27
 28

1 1.1 "Administrative Expense Claim" means any cost or expense of administration of
2 the Chapter 11 Case entitled to priority in accordance with sections 503(b) and 507(a)(1) of the
3 Bankruptcy Code, including, without limitation, any actual and necessary expenses of
4 preserving Debtor's estate from and after the Petition Date to and including the Confirmation
5 Date, all allowances of compensation and reimbursement approved by the Court in accordance
6 with the Bankruptcy Code, and any fees or costs assessed against the Debtor's Estate under
7 chapter 123 of title 28, United States Code.

8 1.2 "Administrative Trade Claim" means any Administrative Expense Claim for
9 goods provided or services rendered (other than services of Professional Persons) to the Debtor
10 on or after the Petition Date.

11 1.3 "Allowed Claim" means any Claim (a) proof of which was timely and properly
12 filed or, if no proof of claim was filed, which has been or hereafter is listed by Debtor on its
13 schedules filed under section 521 (1) of the Bankruptcy Code as liquidated in amount and not
14 disputed or contingent, provided that a timely filed proof of claim shall supersede any
15 scheduling of such Claim, and in either case, as to which (i) no objection to the allowance
16 thereof has been timely filed on or before the Claims Objection Date or (ii) such claim has been
17 allowed by a Final Order of the Court; (b) based on an application of a Professional Person to
18 the extent such application is approved by a Final Order; or (c) allowed under this Plan.

19 1.4 "Ally Financial Secured Claim" means the Secured Claim held by Ally
20 Financial.

21 1.5 "American Express Bank Secured Claim" means the Secured Claim held by
22 American Express Bank, FSB.

23 1.6 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and
24 as applicable to the Chapter 11 Case, set forth in section 101 *et seq.*, title 11, United States
25 Code.

26 1.7 "Bankruptcy Rules" means the rules of procedure in bankruptcy cases applicable
27 to cases pending before the Court, now existing or as hereafter amended.
28

1 1.8 "Bankruptcy Schedules" means the schedules of assets and liabilities filed by the
2 Debtor in accordance with Rule 1006(b) of the Bankruptcy Rules.

3 1.9 "Business Day" means any day on which banks in Nevada are open to carry on
4 their ordinary commercial banking business.

5 1.10 "Cash" means cash or cash equivalents.

6 1.11 "Causes of Action" means any and all actions, claims, rights, defenses, third-
7 party claims, damages, executions, demands, crossclaims, counterclaims, suits, choses in action,
8 controversies, agreements, promises, rights to legal remedies, rights to equitable remedies,
9 rights to payment and claims whatsoever, whether known, unknown, reduced to judgment, not
10 reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed,
11 undisputed, secured or unsecured and whether asserted or assertable directly, indirectly or
12 derivatively, at law, in equity or otherwise, accruing to the Debtor or the Debtor's Estate,
13 including, but not limited to, the Chapter 5 Causes of Action.

14 1.12 "Chapter 5 Causes of Action" means the Causes of Action and all other rights
15 and powers conferred upon the Debtor and the Debtor's Estate pursuant to Chapter 5 of the
16 Bankruptcy Code, including, but not limited to, the avoidance and recovery of preferential
17 transfers and fraudulent transfers.

18 1.13 "Chapter 11 Case" means the chapter 11 case commenced by Debtor on the
19 Petition Date.

20 1.14 "Claim" means any right (a) to payment from Debtor, whether or not such right
21 is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,
22 disputed, undisputed, legal, equitable, secured or unsecured; or (b) to an equitable remedy for
23 breach of performance if such breach gives rise to a right of payment from Debtor, whether or
24 not such right to an equitable remedy is reduced to judgment, fixed, contingent, mature,
25 unmatured, disputed, undisputed, secured or unsecured.

26 1.15 "Claims Objection Date" means the date set by the Court as the last day for filing
27 objections to the allowance of any Claim.
28

1 1.16 "Class" means any group of holders of Claims or Interests as described in Article
2 3 of this Plan.

3 1.17 "Confirmation Date" means the date of entry of the Confirmation Order in
4 accordance with the provisions of the Bankruptcy Code; provided, however, that if the
5 Confirmation Order or consummation of this Plan is stayed pending appeal, then the
6 Confirmation Date shall be the date of entry of the Final Order vacating such stay or the date on
7 which such stay expires or is no longer in effect.

8 1.18 "Confirmation Hearing" means the hearing set and conducted by the Court on the
9 issue of confirmation of this Plan, as continued to conclusion, at which hearing the Court shall
10 determine whether the Plan meets the requirements of the Bankruptcy Code and is entitled to
11 confirmation under section 1129 of the Bankruptcy Code.

12 1.19 "Confirmation Order" means the Order of the Court confirming this Plan and
13 approving the transactions contemplated herein.

14 1.20 "Consignment Claim" means a Claim as to which the Court has determined, by
15 agreement with Debtor or otherwise, that a Pre-Petition Consignor or a Pre-Petition Disputed
16 Consignor is entitled to receive a portion of the Petition Date Consignment Funds or the
17 proceeds of the sale of the Petition Date Consignment Goods.

18 1.21 "Consignment Creditor" means the holder of a Consignment Claim.

19 1.22 "Court" means the United States Bankruptcy Court for the District of Nevada, or
20 such other court, including any court having appellate jurisdiction, as may have jurisdiction over
21 the Chapter 11 Case.

22 1.23 "Creditor" means any entity that is the holder of (a) a Claim that arose on or
23 before the Petition Date, (b) a Claim against Debtor's estate of any kind specified in sections
24 502(g), 502(h) or 502(i) of the Bankruptcy Code, or (c) an Administrative Claim.

25 1.24 "Customer Deposit/Store Credit Claim" means a claim held by a person for
26 funds deposited with the Debtor prior to the Petition Date for the purchase of a good or for any
27 subsequent store credit issued by the Debtor for the deposit.

28 1.25 "Debtor" means Regis Galerie, Inc., a Nevada corporation.

1 1.26 "Debtor's Bankruptcy Counsel" means the law firms Saul Ewing Arnstein &
2 Lehr LLP and Marquis Aurbach Coffing.

3 1.27 "Disclosure Statement" means the written disclosure statement in respect of this
4 Plan approved by the Court pursuant to section 1125 of the Bankruptcy Code.

5 1.28 "Effective Date" means the first Business Day occurring after the Confirmation
6 Order becomes a Final Order.

7 1.29 "Estate" means the bankruptcy estate of the Debtor created pursuant to section
8 541 of the Bankruptcy Code.

9 1.30 "Final Order" means an order or a judgment which has not been reversed, stayed,
10 modified or amended and as to which (i) the time to appeal or seek review, reargument or
11 rehearing has expired and as to which no appeal or petition for certiorari, review or rehearing is
12 pending, or (ii) if appeal, review, reargument, rehearing or certiorari of the order has been
13 sought, the order has been affirmed or the request for review, reargument, rehearing or certiorari
14 has been denied and the time to seek a further appeal, review, reargument, rehearing or
15 certiorari has expired, as a result of which such order shall have become final and
16 nonappealable in accordance with applicable law.

17 1.31 "General Unsecured Claim" means a Claim against Debtor that is not an
18 Administrative Expense Claim, a Priority Tax Claim, the Wells Fargo Bank Secured Claim, the
19 American Express Bank Secured Claim, the Ally Financial Secured Claim, a Customer
20 Deposit/Store Credit Claim, a Consignment Claim, or an Insider Claim.

21 1.32 "General Unsecured Creditor" means any Creditor that is the holder of a General
22 Unsecured Claim.

23 1.33 "Grand Canal Shops Administrative Expense Claim" means the Administrative
24 Expense Claim held by Grand Canal Shops II, LLC.

25 1.34 "Grand Canal Shoppes Agreements Amendments" means the amendments to the
26 Grand Canal Shoppes Agreements to be entered into by Debtor and Grand Canal Shops II, LLC.

27 1.35 "Grand Canal Shoppes Agreements" means the Grand Canal Shoppes Lease and
28 the Grand Canal Shoppes Storage Agreements.

1 1.36 “Grand Canal Shoppes Lease” means the Lease between Grand Canal Shops II,
2 LLC, as landlord, and Debtor, as tenant, dated as of January 26, 2015, as amended on or about
3 October 12, 2015, for the use of space for retail sale (referred to as spaces no. 2060 and 2060M)
4 and adjacent office space (referred to as space no. 42) located in The Grand Canal Shoppes at
5 The Venetian Hotel and Casino.

6 1.37 “Grand Canal Shoppes Storage Agreements” means the Storage License
7 Agreement, dated October 24, 2014, between Grand Canal Shops II, LLC, as licensor, and
8 Debtor, as licensee, for the use of storage space (referred to as space no. 49) and the Storage
9 License Agreement, dated October 16, 2015, between Grand Canal Shops II, LLC, as licensor,
10 and Debtor, as licensee, for use of storage space (referred to as space no. 52).

11 1.38 “Initial Distribution Date” means the later of: January 8, 2018, or the Effective
12 Date.

13 1.39 “Insider Claims” means any Claims of Samuel Dweck or Michael Saka.

14 1.40 “Interest” means the rights and interest of any Person as a shareholder of Debtor.

15 1.41 “Lien” means a charge against or interest in property to secure payment of a debt
16 or performance of an obligation.

17 1.42 “Person” means any individual, corporation, partnership, joint venture, trust,
18 estate or unincorporated organization.

19 1.43 “Petition Date” means September 5, 2016, the date on which Debtor filed its
20 petition for relief commencing the Chapter 11 Case.

21 1.44 “Petition Date Consignment Funds” means the funds totaling \$85,971
22 representing the consignment price of certain goods delivered by certain Pre-Petition
23 Consignors which were sold shortly before the Petition Date and which funds were deposited
24 into a segregated account.

25 1.45 “Petition Date Consignment Good” means a good delivered to the Debtor by a
26 Pre-Petition Consignor or a Pre-Petition Disputed Consignor of which the Debtor had
27 possession as of the Petition Date.

28 1.46 “Plan” means this Plan as set forth herein or as it may be amended or modified
from time to time hereafter.

1 1.47 "Post-Confirmation Professional Fees" means the fees and expenses of
2 Professional Persons for services rendered subsequent to the Confirmation Date in connection
3 with the Plan.

4 1.48 "Pre-Petition Consignors" means vendors from whom Debtor received goods
5 prior to the Petition Date which Debtor intended to hold and sell on a consignment basis.

6 1.49 "Pre-Petition Disputed Consignors" means vendors from whom Debtor received
7 goods prior to the Petition Date with whom Debtor did not believe it had a consignment
8 arrangement, but who, subsequent to the Petition Date, have asserted that the goods were
9 delivered to Debtor on a consignment basis.

10 1.50 "Premises" means the premises covered by the Grand Canal Shoppes
11 Agreements.

12 1.51 "Priority Tax Claim" means an unsecured claim of a governmental unit entitled
13 to priority under section 507(a)(8) of the Bankruptcy Code.

14 1.52 "Professional Persons" means Persons retained or to be compensated pursuant to
15 sections 326, 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code.

16 1.53 "Reorganized Debtor" means Debtor from and after the Effective Date.

17 1.54 "Restructured Grand Canal Shoppes Agreements" means the Grand Canal
18 Shoppes Agreements as amended and restructured by the Grand Canal Shoppes Agreements
19 Amendments.

20 1.55 "Secured Claim" means a Claim to the extent (a) secured by a lien on property in
21 which the Debtor has an interest or (b) subject to setoff under Section 553 of the Bankruptcy
22 Code, to the extent of the value of such creditor's interest in Debtor's interest in the property or
23 the amount of the setoff, as applicable.

24 1.56 "Undetermined Claim" means any claim which has not been disallowed by Final
25 Order of this Court or which is not an Allowed Claim.

26 1.57 "UST Fees" means the fees due the United States Trustee pursuant to 28 U.S.C. §
27 1930(a)(6).

1 1.58 "Wells Fargo Bank Secured Claim" means the Secured Claim held by Wells
2 Fargo Bank, N.A.

3 **ARTICLE 2. ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS.**

4 2.1 In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative
5 Expense Claims and Priority Tax Claims, as described below, have not been classified.

6
7 2.2 Administrative Expense Claims.

8 a. The Grand Canal Shops Administrative Expense Claim shall be paid over
9 a three (3) year period, in monthly installments, commencing on the first calendar month
10 following the Effective Date.

11 b. The holder of an Allowed Administrative Trade Claim, to the extent
12 unpaid as of the Effective Date, shall be paid in Cash in full in the ordinary course of
13 business in accordance with contract terms or as otherwise agreed to by Debtor and the
14 holder of such claim.

15 c. The holders of all other Allowed Administrative Expense Claims shall be
16 paid in Cash in full (except to the extent a holder agrees to some other treatment) on the
17 later of the Effective Date or the date such Claim becomes an Allowed Claim.

18 2.3 Priority Tax Claims. The holder of an Allowed Priority Tax Claim, unless
19 otherwise agreed to by such holder, shall receive, in full satisfaction of such Claim, Cash
20 payments equal to the unpaid portion of such Claim in quarterly installments commencing on
21 the Initial Distribution Date and ending on or before September 4, 2021 with interest at four
22 percent (4.0%) per annum. These Claims, however, may be prepaid at any time without further
23 interest or penalty.

24 **ARTICLE 3. CLASSIFICATION OF CLAIMS AND INTERESTS.**

25 3.1 Classification. Claims and Interests are classified as follows:

- 26 (a) Class 1 consists of the Wells Fargo Bank Secured Claim.
27 (b) Class 2 consists of the American Express Bank Secured Claim.
28 (c) Class 3 consists of the Ally Financial Secured Claim.

1 (d) Class 4 consists of all Customer Deposit/Store Credit
2 Claims.

3 (e) Class 5 consists of all Consignment Claims.

4 (f) Class 6 consists of all General Unsecured Claims.

5 (g) Class 7 consists of all Insider Claims.

6 (h) Class 8 consists of all Interests.

7 3.2 Resolution of Disputes. Disputes regarding the proper classification of Claims
8 not specifically classified herein shall be resolved pursuant to the procedures established by the
9 Court, this Plan, the Bankruptcy Code, the Bankruptcy Rules and other applicable law, and such
10 resolution shall not be a condition precedent to confirmation or consummation of this Plan.

11 **ARTICLE 4. IMPAIRMENT OF CLASSES.**

12 4.1 Unimpaired Classes. Class 3 (Ally Financial Secured Claim), Class 4
13 (Customer Deposit/Store Credit Claims), Class 5 (Consignment Claims) and Class 8
14 (Interests) are unimpaired. By virtue of their status as unimpaired classes, Class 3, Class 4,
15 Class 5 and Class 8 are deemed to have accepted the Plan in accordance with Section 1126(f)
16 of the Bankruptcy Code. Accordingly, the Debtor is not required to solicit votes of Class 3,
17 Class 4, Class 5 and Class 8 with respect to the acceptance or rejection of this Plan.

18 4.2 Impaired Classes. Class 1 (Wells Fargo Bank Secured Claim), Class 2
19 (American Express Bank Secured Claim), Class 6 (General Unsecured Claims) and Class 7
20 (Insider Claims) are impaired by this Plan. Because the Plan does not entitle the holders of
21 Insider Claims in Class 7 to receive or retain any property under the Plan on account of such
22 Claims, Class 7 is deemed to have rejected the Plan in accordance with Section 1126(g) of the
23 Bankruptcy Code. Accordingly, Debtor is not required to solicit votes of Class 7 with respect
24 to the acceptance or rejection of this Plan. Classes 1, 2 and 6 are entitled to vote to accept or
25 reject this Plan. A Class shall have accepted this Plan if this Plan is accepted by the holders of
26 at least two-thirds in amount and more than one-half in number of the Claims or Interests of the
27 Class that have voted to accept or reject this Plan.

1 **ARTICLE 5. TREATMENT OF CLASSES.**

2 5.1 Class 1 – Wells Fargo Bank Secured Claim. Wells Fargo Bank, N.A. shall
3 receive payments, in full satisfaction of the Allowed Wells Fargo Bank Secured Claim, as
4 follows: (a) through November 30, 2017, monthly payments of \$17,177.04; (b) for December
5 2017, a payment of \$10,932.37 and (c) as of January 1, 2018, monthly payments of principal
6 and interest for the remaining balance of the Allowed Wells Fargo Bank Secured Claim
7 amortized over seven (7) years with interest at six percent (6%) per annum. Wells Fargo Bank,
8 N.A. shall retain the Lien it held on Debtor's assets as of the Petition Date until full payment of
9 the Wells Fargo Bank Secured Claim is made as provided in this Plan.

10 5.2 Class 2 – American Express Bank Secured Claim. American Express Bank,
11 FSB shall receive, in full satisfaction of the Allowed American Express Bank Secured Claim,
12 monthly payments of principal and interest amortized over seven (7) years with interest at four
13 and eight-tenths percent (4.8%) per annum. American Express Bank, FSB shall retain the Lien
14 it held on Debtor's assets as of the Petition Date until full payment of the American Express
15 Bank Secured Claim is made as provided in the Plan.

16 5.3 Class 3 – Ally Financial Secured Claim. Ally Financial shall receive, in full
17 satisfaction of the Allowed Ally Financial Secured Claim, continued monthly payments of
18 \$1,112.38. Ally Financial shall retain the lien it holds on the 2011 Cadillac Escalade VIN
19 1GYS3JEF8BR326432 (the "Escalade"). In the event the Reorganized Debtor decides to sell
20 the Escalade, Ally Financial shall receive payment of the full amount of the remaining Ally
21 Financial Secured Claim.

22 5.4 Class 4 – Customer Deposit/Store Credit Claims. The holder of an Allowed
23 Customer Deposit/Store Credit Claim shall retain all rights and interests in the deposit or store
24 credit that he or she held as of the Petition Date. The deposit or store credit may be applied
25 toward the purchase of any good.

26 5.5 Class 5 – Consignment Claims. The holder of an Allowed Consignment Claim
27 shall receive, in full satisfaction of such Claim, payment in Cash of the full amount of such
28 Allowed Claim. For all payments on account of the Petition Date Consignment Funds and
Petition Date Consignment Goods sold as of the entry of the Confirmation Order, payment

1 shall be made on the Effective Date. For all payments on account of Petition Date
2 Consignment Goods sold after the entry of the Confirmation Order, payments shall be made on
3 or before the tenth (10th) day of the month for all Petition Date Consignment Goods sold during
4 the prior month. On the Effective Date and on or before the tenth (10th) day of each month
5 thereafter, the Reorganized Debtor shall provide each Consignment Creditor with a report
6 showing the Petition Date Consignment Goods sold, the Petition Date Consignment Goods on
7 hand and the Consignment Claim payments.

8 5.6 Class 6 – General Unsecured Claims. The holder of an Allowed General
9 Unsecured Claim shall receive, in full satisfaction of such Claim, payments in Cash totaling
10 twenty-five percent (25%) of the amount of such Allowed Claim. The payments shall be made
11 in quarterly installments over five years. The first payment shall be made on the Initial
12 Distribution Date. Thereafter, payments shall be made on the first Business Day of April, July,
13 October and January of each year.

14 5.7 Class 7 – Insider Claims. The holder of any Allowed Insider Claim shall not
15 receive any payment or distribution on account of such claim.

16 5.8 Class 8 – Interests. The holders of Interests shall retain their Interests in Debtor
17 as Reorganized Debtor.

18 **ARTICLE 6. MEANS FOR IMPLEMENTATION OF THIS PLAN**

19 6.1 Retention of Property and Causes of Action. All property of Debtor's Estate
20 shall be retained by the Reorganized Debtor. Except as otherwise provided in this Plan,
21 Reorganized Debtor shall retain all rights to assert, commence, pursue, enforce, or settle, as
22 appropriate, any and all Causes of Action.

23 6.2 Restructured Grand Canal Shoppes Agreements. Debtor and Grand Canal
24 Shops II, LLC shall enter into the Grand Canal Shoppes Agreements Amendments, and Debtor
25 shall assume the Restructured Grand Canal Shoppes Agreements. Debtor intends to file a
26 motion for authority to enter into the Grand Canal Shoppes Agreements Amendments and to
27 assume the Restructured Grand Canal Shoppes Agreements, The Restructured Grand Canal
28 Shoppes Agreements shall be effective as of July 1, 2017. The execution of the Grand Canal

1 Shoppes Agreements Amendments and Debtor's assumption of the Restructured Grand Canal
2 Shoppes Agreements, however, shall be conditioned upon the confirmation of this Plan.

3 6.3 Disbursements Under the Plan. All disbursements required to be made under
4 the Plan shall be made by Reorganized Debtor.

5 6.4 Source of Funds. The funds for the disbursements required to be made
6 under this Plan shall be obtained from: (a) Cash held by Reorganized Debtor as of the Effective
7 Date, and (b) revenues generated by the continued operation of business of the Reorganized
8 Debtor.

9 6.5 Disclosure of Officers and Directors. The directors of Debtor, Samuel Dweck
10 and Issac Dweck, shall continue as directors of Reorganized Debtor. Samuel Dweck, the
11 president of Debtor, shall continue as the president of Reorganized Debtor. Issac Dweck, the
12 general manager of Debtor, shall continue as the general manager of Reorganized Debtor.

13 6.6 Post-Confirmation Professional Fees and UST Fees. Subsequent to the
14 Confirmation Date, Reorganized Debtor will require the services of Debtor's Bankruptcy
15 Counsel to effectuate this Plan. The fees and expenses of Debtor's Bankruptcy Counsel for
16 such services shall be paid by Reorganized Debtor without further order of the Court.
17 Subsequent to the Confirmation Date and until the Chapter 11 Case is closed, Reorganized
18 Debtor shall continue to pay UST Fees.

19 6.7 Amendment to Charter. The charter of Reorganized Debtor shall be amended to
20 include a provision prohibiting the issuance of non-voting equity securities.

21 **ARTICLE 7. OBJECTIONS TO CLAIMS.**

22 At or before the Confirmation Hearing, the Court shall fix the Claims Objection Date.
23 Upon motion filed within the time so fixed and for cause shown, the Court may extend the
24 Claims Objection Date for a time reasonable under the circumstances with respect to any
25 Claim.

26 **ARTICLE 8. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

27 8.1 Grand Canal Shoppes Agreements. As of the Effective Date, Debtor shall enter
28 into the Grand Canal Shoppes Agreements Amendments and Debtor shall assume the
Restructured Grand Canal Shoppes Agreements.

1 8.2 Leases and Subleases For Drivers. As of the Petition Date, Debtor leased
2 three condominium units (4941 River Glen Dr., Units #10, #16 and #49, Las Vegas, NV) and a
3 single family home (9805 Cactus View Ave., Las Vegas, NV) and subleased these properties to
4 certain drivers employed by Debtor. These leases and subleases have been terminated.

5 8.3 Assumption of Other Executory Contracts and Unexpired Leases. All executory
6 contracts and unexpired leases of Debtor entered into prior to the Petition Date that have not
7 been terminated or that are not: (a) expressly assumed or rejected by Debtor pursuant to orders
8 of the Court entered prior to the Confirmation Date, or (b) not otherwise specifically treated in
9 this Plan, shall be assumed as of the Confirmation Date in accordance with the provisions of
10 sections 365 and 1123(b)(2) of the Bankruptcy Code.

11 **ARTICLE 9. NO RELEASE OF THIRD PARTIES.**

12 9.1 Nothing in this Plan shall be deemed a release of any guarantor of any of
13 Debtor's liabilities.

14 **ARTICLE 10. CHAPTER 5 CAUSES OF ACTION.**

15 10.1 Debtor and Reorganized Debtor shall not pursue any Chapter 5 Causes of
16 Action.

17 **ARTICLE 11. MODIFICATION OF PLAN.**

18 11.1 Amendments Prior to Confirmation Date. Modifications or amendments to this
19 Plan may be proposed in writing by Debtor at any time on or before the Confirmation Date,
20 provided that this Plan, as modified, meets the requirements of the Bankruptcy Code.

21 11.2 Amendments After Confirmation. This Plan may be modified by Debtor at any
22 time after the Confirmation Date and before its substantial consummation, provided that this
23 Plan, as modified, meets the requirements of the Bankruptcy Code and the Court, after notice
24 and hearing, confirms this Plan, as modified.

25 11.3 Effect on Acceptance or Rejection. A holder of a Claim that has accepted or
26 rejected this Plan shall be deemed to have accepted or rejected, as the case may be, this Plan, as
27 modified, unless, within the time fixed by the Court, such holder changes its previous
28 acceptance or rejection.

1 **ARTICLE 12. RETENTION OF JURISDICTION.**

2 12.1 Purposes. The Court shall retain jurisdiction over the Chapter 11 Case until the
3 Effective Date and thereafter for the following purposes:

- 4 (a) to determine any and all objections to the allowance of Claims, including any
5 objections to the classification of any Claim;
- 6 (b) to determine any and all applications of Professional Persons for compensation
7 and reimbursement of expenses, and any other fees and expenses authorized to
8 be paid or reimbursed in accordance with the Bankruptcy Code;
- 9 (c) to determine any and all motions, applications, adversary proceedings and
10 contested or litigated matters in the Chapter 11 Case;
- 11 (d) to modify this Plan or the Disclosure Statement or remedy any defect or
12 omission or reconcile any inconsistency in any order of the Court, including the
13 Confirmation Order, this Plan or the Disclosure Statement, in such manner as
14 may be necessary to carry out the purposes and effects of this Plan to the extent
15 authorized by the Bankruptcy Code;
- 16 (e) to determine all controversies, suits and disputes that may arise in connection
17 with the interpretation, enforcement or consummation of this Plan or the
18 Disclosure Statement;
- 19 (f) to ensure that the distributions to holders of Allowed Claims are accomplished
20 in accordance with the provisions of this Plan;
- 21 (g) to liquidate or estimate any Undetermined Claim;
- 22 (h) to enter such orders as may be necessary to consummate and effectuate the
23 operative provisions of this Plan;
- 24 (i) to hear any other matter not inconsistent with chapter 11 of the Bankruptcy
25 Code;
- 26 (j) to enter a final decree closing the Chapter 11 Case;
- 27 (k) to enter and implement such orders as may be appropriate in the event the
28 Confirmation Order is for any reason stayed, reversed, revoked or vacated; and

1 (I) to determine such other matters as may arise in connection with this Plan, the
2 Disclosure Statement or the Confirmation Order.

3 12.2 Abstention. If the Court abstains from exercising, or declines to exercise,
4 jurisdiction or is otherwise without jurisdiction over any matter arising out of the Chapter 11
5 Case, including the matters set forth in Section 12.1 hereof, this Article 12 shall have no effect
6 upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court
7 having competent jurisdiction with respect to such matter.

8 **ARTICLE 13. GENERAL PROVISIONS.**

9 13.1 Reservation of Rights Under Section 1129(b). Debtor expressly reserves the
10 right, pursuant to section 1129(b) of the Bankruptcy Code, to request the Court to confirm this
11 Plan if all of the applicable requirements of section 1129(a) of the Bankruptcy Code have been
12 met other than paragraph (8) of section 1129(a).

13 13.2 Certain Rights Unaffected. This Plan shall not affect or impair any rights or
14 obligations which the Debtor's creditors may have inter se regarding their respective Claims or
15 the relative priority or subordination thereof.

16 13.3 Headings. The Article and Section headings used in this Plan are inserted for
17 convenience and reference only and neither constitutes a part of this Plan nor in any manner
18 affects the terms, provisions or interpretations of this Plan.

19 13.4 Severability. Should any term or provision in this Plan be determined to be
20 unenforceable, such determination shall in no way limit or affect the enforceability and
21 operative effect of any other term or provision of this Plan.

22 13.5 Governing Law. Except to the extent that the Bankruptcy Code is applicable, the
23 rights and obligations arising under this Plan and any documents, agreements and instruments
24 executed in connection with this plan (except to the extent such documents, agreements and
25 instruments designate otherwise) shall be governed by, and construed and enforced in
26 accordance with, the internal laws of the State of Nevada.

27 13.6 Successors and Assigns. The rights and obligations of any entity named or
28 referred to in this plan shall be binding upon, and shall inure to the benefit of, the successors
and assigns of such entity.

1 **ARTICLE 14. OTHER MATERIALS.**

2 The attention of holders of Claims is directed to the Disclosure Statement prepared by
3 the Debtor in connection with this Plan, which has been conditionally approved by the Court.

4
5 Dated: October 6, 2017

6
7 REGIS GALERIE, INC., Debtor

8 By: /s/ Issac Dweck
9 Issac Dweck, General Manager

10
11 /s/ David A. Golin

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113982673.4

Exhibit B

REGIS GALERIE, INC.
HYPOTHETICAL LIQUIDATION ANALYSIS

Pursuant to section 1129(a)(7) of the Bankruptcy Code (often referred to as the “best interests test”), holders of Allowed Claims must either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Plan’s Effective Date, that is not less than the amount such non-accepting holder would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code (“Chapter 7”).

The Debtor has prepared this hypothetical liquidation analysis (the “Liquidation Analysis”) in connection with the Disclosure Statement. The Liquidation Analysis reflects the estimated cash proceeds, net of liquidation-related costs, that would likely be available to the Debtor’s creditors if the Debtor were liquidated under Chapter 7 as an alternative to the continued operation of the Debtor’s business under the Plan.

THE LIQUIDATION ANALYSIS IS BASED UPON NUMEROUS ESTIMATES AND ASSUMPTIONS THAT, ALTHOUGH DEVELOPED AND CONSIDERED REASONABLE BY THE DEBTOR, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE AND LITIGATION UNCERTAINTIES AND CONTIGENCIES BEYOND THE CONTROL OF THE DEBTOR AND ITS MANAGEMENT. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTOR WERE, IN FACT, LIQUIDATED UNDER CHAPTER 7 OF THE BANKRUPTCY CODE, AND ACTUAL RESULTS COULD MATERIALLY DIFFER FROM THOSE SHOWN IN THIS LIQUIDATION ANALYSIS.

General Assumptions:

This Liquidation Analysis assumes a Chapter 7 conversion and liquidation of the Debtor. The Liquidation Analysis assumes hypothetically that the Debtor’s chapter 11 case is converted to a Chapter 7 case on December 22, 2017 (the “Conversion Date”). Upon conversion, a trustee (the “Chapter 7 Trustee”) will be appointed and will be responsible for liquidating the Debtor’s assets. Under section 704 of the Bankruptcy Code, an appointed trustee must, among other duties, collect and convert the Debtor’s property as expeditiously (generally at distressed prices) as is compatible with the best interests of the parties-in-interest.

Asset Realization Assumptions:

The Liquidation Analysis assumes a range of recoveries for the Debtor’s assets, with low and high hypothetical values and the Debtor’s best business case judgment of the outcomes for different recoveries of assets.

The following notes describe the significant estimates and assumptions reflected in the Liquidation Analysis.

1. The Cash on hand currently includes \$180,916 of funds in the Consignment Account representing the consignment price of the sales of goods received from the Pre-Petition Consignors. This Liquidation Analysis assumes that any interests of the Pre-Petition Consignors

in those funds may be avoided and that all of the funds in the Consignment Account are available for payment to all creditors. The avoidance of the consignment interests, however, will require the filing and prosecuting of adversary complaints. The legal fees for the litigation are difficult to estimate and, thus, have not been included in this Liquidation Analysis. Such costs, however, could be substantial and will reduce the amount of funds available for creditors.

2. As of August 31, 2017, the book value of accounts receivable was \$329,329. This Liquidation Analysis assumes that the book value of accounts receivable on the Conversion Date is \$330,000. The low range of recovery is 5%; the high range of recovery is 45%; and the best estimate is 25%.

3. As of August 31, 2017, the book value of inventory was \$6,533,485. This Liquidation Analysis assumes that the book value of inventory on the Conversion Date is \$6,500,000. The low range of recovery is 15%; the high range of recovery is 40%; and the best estimate is 25%. The inventory does not include any inventory acquired by the Debtor subsequent to the Petition Date on a true consignment basis. The inventory includes inventory acquired as of the Petition Date from a Pre-Petition Consignor or a Pre-Petition Disputed Consignor.

4. This Liquidation Analysis assumes that the Chapter 7 trustee will seek to have the Debtor's assets liquidated within three months. The Chapter 7 trustee will incur expenses to occupy the store and complete the liquidation. The Chapter 7 trustee will be entitled to statutory fees based upon the proceeds recovered and paid to creditors. The Chapter 7 trustee will need to retain attorneys and accountants who will be entitled to fees and expenses.

5. The Secured Claims of Wells Fargo Bank N.A. and American Express Bank FSB are estimated, collectively, to be \$1,680,000.

6. Upon a conversion to Chapter 7, there will be accrued and unpaid expenses for the normal course of business operations. These expenses (excluding rent) are estimated to be \$170,000. As discussed in the Disclosure Statement, from and after June 2017 the Debtor has not been paying the full amount of rent due under the Grand Canal Shoppes Agreements. Absent a restructuring of the Grand Canal Shoppes Agreements, the balance of the rent due would become an administrative claim. As of December 22, 2017, this amount will be \$931,715. The accrued and unpaid Debtor's attorneys' fees are estimated to be \$165,000.

7. The claim for pre-petition sales tax is \$16,539. The claims for customer deposits total \$955. The claims for store credits, within the priority limit of \$2,850 for each claim, total \$22,650. This Liquidation Analysis assumes that the claims for store credits are entitled to priority status.

	<u>Low</u>	<u>High</u>	<u>Best Estimate</u>
Assets To Be Liquidated			
Cash	200,000	300,000	250,000
Accounts Receivable	16,500	148,500	66,000
Inventory	<u>975,000</u>	<u>2,600,000</u>	<u>1,625,000</u>
Total Net Proceeds	1,191,500	3,048,500	1,941,000
Less: Chapter 7 Costs and Fees			
Wind-Down Costs	(150,000)	(150,000)	(150,000)
Trustee Fee	(62,995)	(118,705)	(85,480)
Trustee's Professionals' Fees	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
Total	(262,995)	(318,705)	(285,480)
Proceeds Available For Creditors	928,505	2,729,795	1,655,520
Less: Secured Claims	(1,680,000)	(1,680,000)	(1,680,000)
Less: Chapter 11 Administrative Claims	(1,265,000)	(1,265,000)	(1,265,000)
Less: Priority Claims	(40,145)	(40,145)	(40,145)
Proceeds Available For General Unsecured Creditors	(2,056,640)	(255,350)	(1,329,625)

Exhibit C

Regis Galerie 2018 Projection / Budget

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
* Does not reflect prior due items not yet paid													
* Beginning Cash *	0.00												
Projected Sales	659,970.00	721,000.00	681,000.00	523,000.00	723,000.00	592,000.00	596,000.00	575,000.00	593,000.00	695,000.00	460,000.00	856,000.00	7,644,870.00
Sales Tax	5,000.00	6,900.00	3,200.00	3,900.00	3,900.00	8,600.00	4,800.00	8,000.00	7,900.00	5,200.00	2,700.00	8,300.00	59,080.00
Total Cash From Projected Sales	664,970.00	727,900.00	684,200.00	526,900.00	726,900.00	600,600.00	600,800.00	583,000.00	600,900.00	700,200.00	462,700.00	864,300.00	7,897,970.00
Operating Expense													
New Merchandise Purchase	215,000.00	180,000.00	170,000.00	130,000.00	160,000.00	150,000.00	150,000.00	146,000.00	150,000.00	220,000.00	115,000.00	165,000.00	1,970,900.00
Alarm	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Appraisal	4,300.00	3,600.00	3,400.00	2,600.00	3,600.00	3,000.00	3,000.00	3,000.00	3,000.00	4,400.00	2,300.00	3,300.00	39,900.00
Client Accommodations	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Bank Service Charges	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Credit Card Processing Fee	18,000.00	15,000.00	14,500.00	11,000.00	15,000.00	12,000.00	13,000.00	12,000.00	12,500.00	16,000.00	9,500.00	14,000.00	162,500.00
Freight	14,800.00	13,400.00	13,000.00	11,500.00	13,500.00	12,000.00	12,200.00	12,000.00	12,200.00	15,000.00	11,000.00	13,000.00	153,800.00
Insurance	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	35,120.00
Insurance Health	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	120,000.00
Insurance Worker Comp.	980.00	980.00	980.00	980.00	980.00	980.00	980.00	980.00	980.00	980.00	980.00	980.00	11,760.00
Internet	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	14,400.00
Legal Fees	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000.00
Licenses & Permits	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	10,800.00
Payroll	185,100.00	154,800.00	150,500.00	141,900.00	150,500.00	146,200.00	146,200.00	146,200.00	146,200.00	159,100.00	137,600.00	150,500.00	1,786,890.00
Payroll Commission	60,769.90	50,470.00	47,670.00	38,610.00	50,610.00	41,440.00	41,720.00	40,250.00	41,510.00	89,550.00	32,200.00	45,620.00	548,128.90
Payroll Tax	17,542.15	18,421.80	15,553.80	14,289.80	16,888.80	13,911.20	15,033.80	14,816.80	15,618.80	17,572.00	13,584.00	15,713.60	187,034.15
Phone	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	9,600.00
Postage and Delivery	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Printing	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
Maintenance	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	9,600.00
Rent	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	188,000.00	2,256,000.00
Warehouse Rent	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	84,000.00
Repairs Merchandise	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	9,600.00
State Tax	8,300.00	5,400.00	6,900.00	3,200.00	3,900.00	3,900.00	6,800.00	4,800.00	8,000.00	7,800.00	6,200.00	2,700.00	68,700.00
Supplies	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	10,800.00
Travel	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	4,800.00
Total Operating Expense	716,695.05	658,481.60	641,213.60	570,480.80	652,598.80	575,941.20	523,143.80	511,556.00	521,816.80	682,812.00	546,774.00	629,522.60	7,240,941.06
Plan Expense													
Unsecured Creditors	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	19,856.00	238,272.00
Consignment Claims	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Sales Tax	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
June 2017 rent balance	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	3,424.00	41,088.00
Wells Fargo Loans	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	16,500.00	198,000.00
Annex Loan	8,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	78,000.00
Total Plan Expense	46,580.00	48,580.00	48,580.00	48,580.00	48,580.00	48,580.00	48,580.00	48,580.00	48,580.00	48,580.00	48,580.00	48,580.00	582,860.00
Total Expense	765,185.05	707,061.60	689,793.60	619,060.80	701,178.80	624,921.20	571,723.80	560,136.00	570,396.80	731,392.00	595,354.00	678,102.60	7,823,801.06
Net Cash Flow	99,885.05	20,838.40	-5,593.60	-42,160.80	25,751.20	-24,321.20	29,076.40	22,864.00	30,403.20	129,868.00	-132,654.00	-13,802.60	90,468.95
Cash Balance	89,886.95	120,719.35	115,125.75	22,964.95	48,684.15	24,774.95	53,851.35	76,716.35	107,119.55	236,928.55	104,274.55	90,468.95	80,468.95