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 8 **Attorney for Debtor(s)**

9 **UNITED STATES BANKRUPTCY COURT**

10 **DISTRICT OF NEVADA**

<p>11 In re:</p> <p>12</p> <p>13 FLEMMING'S GRILL, INC.</p> <p>14</p> <p>15</p> <p>16 Debtor(s)</p>	<p>CASE NO.: 17-10358-ABL</p> <p>CHAPTER: 11</p> <p>HEARING DATE:</p> <p>HEARING TIME:</p>
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17 **FLEMMING'S GRILL, INC.'S DISCLOSURE STATEMENT**

18 **I. INTRODUCTION**

19 This is the disclosure statement (the "Disclosure Statement") in the small business chapter
 20 11 case of **FLEMMING'S GRILL, INC.** (the "Debtor"). This Disclosure Statement
 21 contains information about the Debtor and describes the plan (the "Plan") filed
 22 by **FLEMMING'S GRILL, INC.** on Thursday, September 7, 2017. A full copy of the Plan
 23 is attached to this Disclosure Statement as Exhibit A. *Your rights may be affected. You should
 24 read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If
 25 you do not have an attorney, you may wish to consult one.*

26 The proposed distributions under the Plan are discussed below in this Disclosure
 27 Statement. General unsecured creditors have been divided into 3 classes, one of which will not
 28 be receiving payment through the Plan as the claim is treated as unimpaired and Debtor is not the
 Primary Obligor of the claim. The two other classes are outlined below and each will be receiving
 a partial distribution on their claim. The two classes will be

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1 1. Former Employee Non-Priority Wage and Hour Claimants (5% distribution).

2 2. Critical Vendors (25% distribution).

3 Each class will receive a distribution of their respective claims on a pro-rata basis.

4 **A. Purpose of This Document**

5 This Disclosure Statement describes:

- 6 • The Debtor and significant events during the bankruptcy case,
- 7 • How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest if the plan is confirmed),
- 8 • Who can vote on or object to the Plan,
- 9 • What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,
- 10 • Why Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- 11 • The effect of confirmation of the Plan.

12 Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

13 **B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

14 The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

15 1. *Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan*

16 The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on _____, at _____, in Courtroom **1**, at the United States Bankruptcy Court, 300 S Las Vegas Blvd, Las Vegas, NV 89101.

17 2. *Deadline For Voting to Accept or Reject the Plan*

18 If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to Ballstaedt Law Firm, 9555 S Eastern Ave. Ste #210, Las Vegas, NV 89123. See section IV.A. below for a discussion of voting eligibility requirements.

19 Your ballot must be received by _____ or it will not be counted.

20 3. *Deadline For Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

21 Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon Debtor by _____.

22 4. *Identity of Person to Contact for More Information*

23 If you want additional information about the Plan, you should contact Ballstaedt Law Firm, (702) 715-0000 or seth@bkvegas.com.

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C. Disclaimer

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

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is a **Corporation** which operates a restaurant in Simi Valley, California doing business (registered D.B.A.) as “Larsen’s Grill” named for the founder, Flemming Larsen, who is also President of the corporation.¹ The restaurant started operation in December 2009 and is described online as “a classic steakhouse with a romantic atmosphere, candlelight, and live piano music.”



Figure 1 - Storefront

B. Insiders of the Debtor

LRG, LLC (“LRG”) is an insider entity who is paid a management fee by Debtor. LRG handles all of the management duties of the Debtor. During the one-year period leading up to the filing of the bankruptcy LRG was paid \$353,071 in management fees. No other insiders were paid during the one-year period before the filing of the

bankruptcy.

C. Management of the Debtor Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the "Managers") were Flemming Larsen (President and Director) and April Larsen (Corporate

¹ “Flemming’s Grill Inc.” (Debtor) which operates a single location in Simi Valley, CA should not be confused with the more commonly known “Fleming’s Prime Steakhouse” with 69 locations. The latter is a sister company of Outback Steakhouse, Bonefish Grill, and Carraba’s Italian Grill all of whom are subsidiaries of Bloomin’ Brands, Inc. See <https://en.wikipedia.org/wiki/Fleming%27s_Prime_Steakhouse_%26_Wine_Bar>. Due to the name similarity Debtor is often mistakenly confused for “Fleming’s Prime Steakhouse.”

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1 Secretary). The Managers of the Debtor during the Debtor's chapter 11 case have not changed,
2 and after the effective date of the order confirming the Plan, the directors, officers, and voting
3 trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or
4 successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will
5 remain as currently constituted.

6 **D. Events Leading to Chapter 11 Filing**

7 Some recent changes in California labor law triggered an entire industry of wage claims
8 against employers on behalf of former employees. At the time of the filing of this bankruptcy
9 petition, Debtor was defending such an action. One purpose of the bankruptcy would be to allow
10 former employees to either prove their claim or be discharged, so that the business could start
11 fresh and operate without a looming threat of former employee lawsuits.

12 **E. Significant Events During the Bankruptcy Case**

13 On 03/02/2017 Debtor's 341 Meeting of Creditors was conducted and concluded on that
14 same date.

15 On 03/31/2017 An order was entered granting an application to employ Ballstaedt Law
16 Firm. See Doc #31).

17 On 07/07/2017 An order was entered granting objection of Proof of Claim 8. See Doc
18 #58.

19 On 07/07/2017 An order was entered granting assumption of Debtor's lease with Walton
20 Simi Investors VI, LLC. See Doc #59.

21 **F. Projected Recovery of Avoidable Transfers**

22 The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance
23 actions.

24 **G. Claims Objections**

25 Except to the extent that a claim is already allowed pursuant to a final non-appealable order,
26 the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for
27 voting purposes, you may not be entitled to a distribution if an objection to your claim is later
28 upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

H. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are listed in Exhibit B. Debtor holds
a total of \$192,878 of assets, most of which are encumbered or upside-down. The gross revenue
in 2016 and 2017 was \$2,718,372 and \$2,168,866 respectively.

The Debtor's most recent financial statements issued before bankruptcy, each of which was
filed with the Court, are set forth in Exhibit C.

The most recent post-petition operating report filed since the commencement of the Debtor's
bankruptcy case are set forth in Exhibit D.

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2 **III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF**
3 **CLAIMS AND EQUITY INTERESTS**

4 **A. What is the Purpose of the Plan of Reorganization?**

5 As required by the Code, the Plan places claims and equity interests in various classes and
6 describes the treatment each class will receive. The Plan also states whether each class of claims
7 or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be
8 limited to the amount provided by the Plan.

9 **B. Unclassified Claims**

10 Certain types of claims are automatically entitled to specific treatment under the
11 Code. They are not considered impaired, and holders of such claims do not vote on the
12 Plan. They may, however, object if, in their view, their treatment under the Plan does not comply
13 with that required by the Code. As such, the Plan Proponent has not placed the following claims
14 in any class:

15 1. *Administrative Expenses*

16 Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case
17 which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value
18 of any goods sold to the Debtor in the ordinary course of business and received within 20 days
19 before the date of the bankruptcy petition. The Code requires that all administrative expenses be
20 paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

21 The following chart lists the Debtor's estimated administrative expenses, and their proposed
22 treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$0	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	\$15,000	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$0	Paid in full on the effective date of the Plan
Other administrative expenses	\$0	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	\$0	Paid in full on the effective date of the Plan
TOTAL	\$15,000	

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2 *2. Priority Tax Claims*

3 Priority tax claims are unsecured income, employment, and other taxes described by §
4 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees
5 otherwise, it must receive the present value of such claim, in regular installments paid over a
6 period not exceeding 5 years from the order of relief.

7 The following chart lists the Debtor's estimated § 507(a)(8) priority tax claims and their
8 proposed treatment under the Plan:

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
Unsecured Priority Tax Claim to Internal Revenue Service WT-FICA, CORP-INC, FUTA	\$0.00	2017	The full priority portion of \$14,258.30 listed in Proof of Claim 1(a) has been paid in full. No payments are required through Debtor's Plan.
California Franchise Tax Board	\$0.00	2017	The full priority portion of \$800.00 listed in Proof of Claim 3 has been paid in full. No payments are required through Debtor's Plan.

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19 **C. Classes of Claims and Equity Interests**

20 The following are the classes set forth in the Plan, and the proposed treatment that they will
21 receive under the Plan:

22 *1. Classes of Secured Claims*

23 Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate
24 (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If
25 the value of the collateral or setoffs securing the creditor's claim is less than the amount of the
26 creditor's allowed claim, the deficiency will [be classified as a general unsecured claim].

27 The following chart lists all classes containing Debtor's secured prepetition claims and their
28 proposed treatment under the Plan:

<u>Class #</u>	<u>Description</u>	<u>Insider? (Yes or No)</u>	<u>Impairment</u>	<u>Treatment</u>
1	<p>Claimant: JP Morgan Chase Bank, N.A.</p> <p>Collateral Description: 6494 Boulder Ranch Ave Henderson, NV 89011</p> <p>Allowed Secured Amount: approx. \$615,000</p> <p>Amount Paid Through Plan: N/A</p>	No	Unimpaired	Debtor is the co-obligor of claim. This claim is unimpaired and shall be governed by the terms of the original agreement to be paid by the primary.

3. *Classes of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan's proposed treatment of Classes 2 and 3, which contain general unsecured claims against the Debtor:

<u>Class #</u>	<u>Description</u>	<u>Impairment</u>	<u>Treatment</u>
2	<p>Wells Fargo Bank, N.A.</p> <p>Total Claim: \$169,525.10</p> <p>Amount Paid Through Plan: N/A</p>	Unimpaired	Debtor is the co-obligor of claim. This claim is unimpaired and shall be governed by the terms of the original agreement to be paid by the primary.
3	<p>Former Employee Wages & Hours</p> <p>Consisting of Claims held by:</p> <p>Juan Barajas Total claim: \$90,091.00 Amount paid through plan: \$4,504.55</p> <p>Robinson Rodriguez Total claim: \$84,591.00 Amount paid through plan: \$4,229.55</p> <p>Hugo Gonzalez</p>	Impaired	Claims in this class shall receive a distribution of 5% of the total claim of each member on a pro rata basis with monthly payments of \$478.28 to begin on the effective date of the plan at no interest and continue for 24 months or until the combined class claim amount of \$11,478.65 is paid in full, whichever comes first.

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	Total claim: \$54,891.00 Amount paid through plan: \$2,744.55 Combined Class Claim of: \$11,478.65		
4	Critical Vendors Consisting of Claims held by: Le Palmier Inc/ Classic Meat. Total claim: \$52,301.61 Amount paid through plan: \$13,075.40 Southern Glazier and Spirits Total claim: \$14,703.50 Amount paid through plan: \$3,675.88 Spectrum Produce Total claim: \$7,309.35 Amount paid through plan: \$1,827.34 Combined Class Claim Paid Through Plan: \$18,578.62	Impaired	Claims in this class shall receive a distribution of 25% of the total claim of each member on a pro rata basis with monthly payments of \$309.64 to begin on the effective date of the plan at no interest and continue for 60 months or until the combined class amount of \$18,578.62 is paid in full, whichever comes first.

4. *Classes of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company ("LLC"), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

Class #	Description	Impairment	Treatment
5	Equity interest holders	Unimpaired	Will maintain equity interest and will pay new value to the estate by personally funding payments to professionals.

D. Means of Implementing the Plan

1. *Source of Payments*

1 Payments and distributions under the Plan will be funded by the continuing operations of
 2 the business. Since the inception of the bankruptcy case, Debtor averages \$237,071 in gross
 3 revenue per month. In addition to income from the operation of debtor's business, the equity
 4 security interest holder will be contributing new value by personally funding the distribution
 5 towards professional fees.

6 2. *Post-confirmation Management*

7 The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

8 Name	Affiliations	Insider (yes or no)?	Position	Compensation
9 LRG LLC	Common Ownership	Yes	Managing Entity	15% of gross sales

10 E. Risk Factors

11 The proposed Plan has the following risks:

12 Like any business, Debtor's revenues are subject to fluctuations in the market and the
 13 economy which can affect volume and profitability.

14 F. Executory Contracts and Unexpired Leases

15 The Plan, in Exhibit 5.1, lists all executory contracts and unexpired leases that the Debtor
 16 will assume under the Plan. Assumption means that the Debtor has elected to continue to perform
 17 the obligations under such contracts and unexpired leases, and to cure defaults of the type that
 18 must be cured under the Code, if any. Exhibit 5.1 also lists how the Debtor will cure and
 19 compensate the other party to such contract or lease for any such defaults.

20 If you object to the assumption of your unexpired lease or executory contract, the proposed
 21 cure of any defaults, or the adequacy of assurance of performance, you must file and serve your
 22 objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the
 23 Court has set an earlier time.

24 All executory contracts and unexpired leases that are not listed in Exhibit 5.1 will be
 25 rejected under the Plan. Consult your adviser or attorney for more specific information about
 26 particular contracts or leases.

27 If you object to the rejection of your contract or lease, you must file and serve your
 28 objection to the Plan within the deadline for objecting to the confirmation of the Plan.

**The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection
 of a Lease or Contract Is 5/31/2017.** Any claim based on the rejection of a contract or lease will
 be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

G. Tax Consequences of Plan

*Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their
 Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.*

The following are the anticipated tax consequences of the Plan:

(1) Tax consequences to the Debtor of the Plan:

The Debtor will remain subject to applicable state and federal income tax laws despite the
 bankruptcy and must continue to timely file state and federal income and employment tax returns

1 and pay state and federal income and employment tax when due. Pursuant to IRC § 108(a), debts
2 that are discharged in a bankruptcy proceeding are not included as income when calculating
3 income.

3 **(2) General tax consequences on creditors of any discharge:**

4 Generally, a bankruptcy discharge releases the debtor from liability on certain types of debts,
5 and prohibits creditor debtor from taking any form of collection action on the discharged debts,
6 including legal action and communication. Depending on the amount of the debt discharged, the
7 creditor may be required to file Form 1099-C with the IRS. The box marked “bankruptcy” should
8 be checked or identified as the event code in box 6 on the 1099-C to show to the IRS that the
9 listed debt has been discharged in bankruptcy.

8 **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

9 To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the
10 Code. These include the requirements that: the Plan must be proposed in good faith; at least one
11 impaired class of claims must accept the plan, without counting votes of insiders; the Plan must
12 distribute to each creditor and equity interest holder at least as much as the creditor or equity
13 interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest
14 holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the
15 only requirements listed in § 1129, and they are not the only requirements for confirmation.

13 **A. Who May Vote or Object**

14 Any party in interest may object to the confirmation of the Plan if the party believes that the
15 requirements for confirmation are not met.

16 Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A
17 creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or
18 equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting
19 purposes and (2) impaired.

19 In this case, the Plan Proponent believes that classes 2-5 are impaired and that holders of
20 claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan
21 Proponent believes that class 1 is unimpaired and that the holder of this claim in this class do not
22 have the right to vote to accept or reject the Plan.

21 *1. What Is an Allowed Claim or an Allowed Equity Interest?*

22 Only a creditor or equity interest holder with an allowed claim or an allowed equity interest
23 has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the
24 Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as
25 disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity
26 interest, unless an objection has been filed to such proof of claim or equity interest. When a
27 claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or
28 equity interest cannot vote unless the Court, after notice and hearing, either overrules the
objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of
the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was 5/31/2017.

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2. *What Is an Impaired Claim or Impaired Equity Interest?*

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

3. *Who is **Not** Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

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

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

holders of claims or equity interests in unimpaired classes;

holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and

holders of claims or equity interests in classes that do not receive or retain any value under the Plan;

administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.

4. *Who Can Vote in More Than One Class*

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

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cram down" on non-accepting classes, as discussed later in Section [B.2.].

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

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Nonaccepting Classes*

1 Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the
2 Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A
3 plan that binds nonaccepting classes is commonly referred to as a "cram down" plan. The Code
4 allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the
5 requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the
6 Code, does not "discriminate unfairly," and is "fair and equitable" toward each impaired class that
7 has not voted to accept the Plan.

8 *You should consult your own attorney if a "cramdown" confirmation will affect your
9 claim or equity interest, as the variations on this general rule are numerous and complex.*

10 **C. Liquidation Analysis**

11 To confirm the Plan, the Court must find that all creditors and equity interest holders who
12 do not accept the Plan will receive at least as much under the Plan as such claim and equity
13 interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this
14 Disclosure Statement as Exhibit E.

15 **D. Feasibility**

16 The Court must find that confirmation of the Plan is not likely to be followed by the
17 liquidation, or the need for further financial reorganization, of the Debtor or any successor to the
18 Debtor, unless such liquidation or reorganization is proposed in the Plan.

19 *1. Ability to Initially Fund Plan*

20 The Plan Proponent believes that the Debtor will have enough cash on hand on the effective
21 date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables
22 showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash
23 are attached to this disclosure statement as Exhibit F.

24 *2. Ability to Make Future Plan Payments And Operate Without Further
25 Reorganization*

26 The Plan Proponent must also show that it will have enough cash over the life of the Plan to
27 make the required Plan payments.

28 The Plan Proponent has provided projected financial information. Those projections are
listed in Exhibit G.

*You Should Consult with Your Accountant or other Financial Advisor If You Have Any
Questions Pertaining to These Projections.*

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt
that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the
extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of
any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint

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1 was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii)
2 of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the
Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

3 **B. Modification of Plan**

4 The Plan Proponent may modify the Plan at any time before confirmation of the
5 Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

6 Upon request of the Debtor, the United States trustee, or the holder of an allowed unsecured
7 claim, the Plan may be modified at any time after confirmation of the Plan but before the
8 completion of payments under the Plan, to (1) increase or reduce the amount of payments under
the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or
(3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the
extent necessary to take account of any payment of the claim made other than under the Plan.

9 **C. Final Decree**

10 Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules
11 of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in
the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close
12 the case. Alternatively, the Court may enter such a final decree on its own motion.

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DocuSigned by:
/s/ <i>Flemming Larsen</i>
FLEMMING'S GRILL, INC.
President, Flemming's Grill, Inc.
/s/ Seth D Ballstaedt
Seth D Ballstaedt 11516
Attorney for Debtor in Possession