IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NEW YORK

In re:	
THE VERMEIL LLC,	**CHAPTER 11** **Case No. 15-44136-ess** **(Cases Jointly Administrated)**
In re:	
STERLING & SEVENTH LLC,	**CHAPTER 11** **Case No. 15-44135-ess**

AMENDED DISCLOSURE STATEMENT FOR
THE DEBTORS' PLAN OF REORGANIZAITON,
DATED OCTOBER 18, 2017

I. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the Chapter 11 case of The Vermeil LLC ("Vermeil") and Sterling & Seventh, LLC ("Sterling & Seventh") (referred together herein as the "Debtors"). This Disclosure Statement contains information about the Debtors and describes the Debtors' Chapter 11 Plan of Reorganization (the "Plan") filed by the Debtors on October 17, 2017. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. ***Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUPPLIED BY THE DEBTORS. BASED UPON THE INFORMATION MADE AVAILABLE, PROPONENT'S COUNSEL HAS NO INFORMATION TO INDICATE THAT THE INFORMATION DISCLOSED HEREIN IS INACCURATE. NEITHER THE PROPONENT NOR THEIR COUNSEL, HOWEVER, IS ABLE TO STATE DEFINITIVELY THAT THERE IS NO INACCURACY HEREIN OR THAT FUTURE EVENTS MAY NOT RENDER THE INFORMATION CONTAINED HEREIN INACCURATE.

The proposed distributions under the Plan are discussed at pages 7-10 of this Disclosure Statement. There are no general unsecured creditors of the Estate.

A. **Purpose of This Document**

This Disclosure Statement describes:

- The Debtors and significant events during the bankruptcy case,
- 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 plain is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,
- Why (the Proponent) believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plant compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

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

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

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

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

The hearing at which the Court will determine whether to (finally approve this Disclosure Statement and) confirm the Plan will take place on October 18, 2017, at 11:00 a.m., before Honorable Elizabeth S. Stong, United States Bankruptcy Judge, United States Bankruptcy Court, Courtroom 3585, United States Bankruptcy Court, 271 Cadman Plaza East, Brooklyn, New York 11201.

2. *Deadline for Voting to Accept or Reject the Plan*

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:

Barry D. Haberman, Esq.
254 South Main Street, #404
New City, New York 10956

See section IV.A. below for a discussion of voting eligibility requirements. Your ballot must be received by (insert date) or it will not be counted.

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

Objections to (this Disclosure Statement or to) the confirmation of the Plan must be filed with the Court and served upon

Barry D. Haberman, Esq.
254 South Main Street, #404
New City, New York 10956

And

Office of the United States Trustee
For the Eastern District of New York
US Federal Office Building
201 Varick Street, Suite 1006
New York, New York 10014

by October 11, 2017.

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

If you want additional information about the Plan, you should contact:

Barry D. Haberman, Esq.
254 South Main Street, #404
New City, New York 10956
845-638-4294
Email - bdhlaw@aol.com

C. **Disclaimer**

This Court has (conditionally) approved Disclosure Statement as contained 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 is accepted. (The Court's 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 October 11, 2017.)

II. BACKGROUND

A. Description and History of the Debtors' Business

The Vermeil is a New York limited liability company. The Vermeil owns and manages a condominium apartment (Unit 1D) in a building located at 133 Seventh Place, Brooklyn, New York. Said condominium apartment is rented.

Sterling & Seventh is a New York limited liability company. Sterling & Seventh is the predecessor in interest to The Vermeil. On or about March 5, 2008, a time substantially prior to the filing of the instant Cases, Sterling & Seventh assigned its assets and liabilities to The Vermeil. Sterling & Seventh no longer conducts business, it has no assets. Sterling & Seventh has not conducted any business for at least five (5) years.

Sterling & Seventh was the sponsor and developer of a condominium project at 133 Seventh Place, Brooklyn, New York. The apartment owned by The Vermeil represents the last unsold unit in the project. The management of 133 Seventh Place, Brooklyn, New York rests with The Board of Managers of the Vermeil Condominium, an entity that is not under the control and/or direction of the Debtors.

The Debtors have an outstanding Mortgage with Jacob Rosenberg, a Mortgage that is in default status. Said Mortgage has been the subject of a foreclosure action filed in New York Supreme Court, Kings County, said action entitled Jacob Rosenberg v. The Vermeil LLC, et al, Index No. 16962/2011. After extensive litigation, Supreme Court has issued a Judgment of Foreclosure and Sale, dated June 15, 2017. However, due to the filing of these Cases and pursuant to an Order of this Court dated July 5, 2016 (Doc. 60) a Stay is in place with regards to a sale of Unit 1D. Furthermore, Supreme Court has determined that Unit 1E, titled in the name of Jacob Rosenberg is property belonging to The Vermeil, and said Unit 1E is to be sold pursuant to the Judgment of Foreclosure and Sale.

The Debtors' principal, Jacob Pinson, is himself a debtor in the Chapter 7 bankruptcy case of In re Jacob Pinson and Chana Pinson, 14-40212 (ESS), and that David J. Doyaga, Esq. is the Chapter 7 Trustee in Mr. Pinson's individual case. Mr. Doyaga has had notice of all proceedings in this Case, but to date has not substantively participated in the proceedings.

B. Insiders of the Debtor

The following individual is an insider of the Debtor as defined in § 101(31)

Jacob Pinson – Managing Member – 100% membership interest

No compensation was paid to the insider by the Debtors.

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 others persons in control of the Debtors (collectively the "Manager") was Jacob Pinson , who was the sole Managing Member for the two years prior to the date that the bankruptcy petitions were filed.

The Manager of the Debtors during the Debtors' Chapter 11 case has been:

Jacob Pinson

After the effective date of the order confirming the Plan, the "Post Confirmation Managers", will be: Barry D. Haberman, Esq. The responsibilities and compensation of these Post Confirmation Managers are described in section III (C) 1 of this Disclosure Statement.

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

The Debtors suffered from poor market conditions in the sale of Units in The Vermeil condominium project. The Debtors became overextended and defaulted in payment of secured debt (Mortgage). The Debtors were also subject to a legal action brought by the Board of Managers of The Vermeil Condominium, with a Judgment entered against the Debtors in the amount of $831,247.22. During the course of the foreclosure litigation instituted by Jacob Rosenberg, the Debtors sought the protection of the Bankruptcy Court to reorganize.

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

During the pendency of this Case, the Secured Creditor, Jacob Rosenberg ("Rosenberg") moved for relief from the automatic Stay to proceed with the foreclosure litigation pending in Supreme Court, Kings County, said action entitled Jacob Rosenberg v. The Vermeil LLC, et al, Index No. 16962/2011. Upon the Bankruptcy Court lifting the stay, litigation resumed in New York State Supreme Court. After extensive litigation, Supreme Court has issued a Judgment of Foreclosure and Sale, dated June 15, 2017. The Judgment of Foreclosure and Sale is for both Units (1D and 1E), Supreme Court having determined that the mortgage applied to both units, even though Unit 1E was deeded to Rosenberg. As of the date of this Disclosure Statement, that Judgment is binding as to the parties in interest. Upon issuance of said Judgment of Foreclosure and Sale, the Debtors determined that it was in their best interests to bring this matter to resolution by proposing a sale of the secured property under the auspices of the Bankruptcy Court. The proposed Plan will resolve all outstanding issues in these Cases.

Recovery of Avoidable Transfers

The Debtors do not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtors reserves the right to object to claims. Pursuant to the within Statement and Plan, the Debtors will not be objecting to the claims of Jacob Rosenberg and The Board of Managers of The Vermeil Condominium. Therefore, (excepting the aforementioned Claimants) even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

F. **Current and Historical Financial Conditions**

The Debtors' real property is defined as Unit 1D and Unit 1E in The Vermeil condominium, (133 Seventh Place, Brooklyn, New York). Based upon listings and sales for other units in the condominium, it is estimated that each unit has a fair market value of $1,250,000.00.

Additionally, the Debtors own five (5) parking spaces, two of which will be sold with Units 1D and 1E (at auction)(and subject to the provisions of the Plan, the proceeds will be used to satisfy the Claim of Rosenberg). The other three units will also be sold at auction (and subject to the provisions of the Plan, the proceeds will be used to satisfy the Claim of The Board of Managers of the Vermeil Condominium.

Unit 1D has been managed by The Vermeil, with sporadic collection of rent. Unit 1E has been managed by Rosenberg. Pursuant to the Order of Supreme Court, the Debtors will be awarded credit from Rosenberg for the rents collected, with said rents offset against the damages due for the default in payment of the Mortgage.

In that the Judgment of Foreclosure and Sale and the Proposed Plan requires the sale of the Units the financials of the Units as ongoing enterprises are not relevant to this Case.

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

A. **What is the Purpose of the Plan**

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. Under the Plan, Units 1D and 1E, will be sold at an auction, with a parking spot attached to each unit. The proceeds realized will satisfy the obligations of the Debtors to Jacob Rosenberg (after payment of Administrative Expenses). In the event that the proceeds realized exceeds the amount due to Rosenberg, excess proceeds will be used to satisfy the claims due to The Board of Managers of the Vermeil Condominium Association.

Additionally, the Debtors will sell at auction three (3) parking spaces, the proceeds of same to satisfy the claims of The Board of Managers of the Vermeil Condominium Association, except that the he proceeds from the sale of the three parking spaces will first be used to satisfy outstanding Priority Claims. To the extent that the funds realized from the auction sales exceed the Administrative Expenses, Priority Claims, the Secured Creditor and the Board of Managers of the Vermeil, distribution will be made to the other claim holders. It is not reasonably likely that any payments will be made to other claim holders.

B. **Unclassified Claims**

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

1. *Administrative Expenses*

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

The following chart lists the debtor's estimated administrative expenses and their proposed treatment under the Plan:

Type	**Estimated Amount Owed**	**Proposed Treatment**
Expenses Arising in the Course of Business After Petition Date (Common Charges due to The Board of Trustees of the Vermeil Condominium)	$31,937.04	Paid in full on the effective date of of the Plan, or according to terms of obligations if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before Petition Date	$0.00	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	$35,000.00	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	$0.00	Paid in full on the effective date of The Plan

Other administrative expenses		Paid in full on the effective date of the Plan or according to separate written agreement
Auction Expenses		Paid in full on the effective date of the Plan or according to separate written agreement (from proceeds received at the respective Auctions
Office of the U.S. Trustee Fees	$	Paid in full on the effective date of the Plan
TOTAL	$66, 937.04	

To the extent that there are outstanding real property taxes, under the provisions of the proposed Plan, said taxes will be paid out of proceeds from the Closing the sale of Units 1D and 1E. There are also tax liens filed by NYCTL 1998-2/MTAG in the amount of $10,413.08 plus 9% interest from May 17, 2013 and NYCTL 2015-A Trust/MTAG in the amount of $3,901.51 from May 16, 2017 (for Unit 1D). (Both tax liens will be paid from the proceeds of the sale of Unit 1D and Unit 1E). Additional open taxes along with the aforementioned tax liens will be satisfied with proceeds received at the auction for properties owned by the Estate. Such taxes amount to $3,845.03 for Unit 1D and $4,648.36 for Unit 1E. Taxes for the parking spaces are as follows: 4P: $327.73, 8P: $355.82, 10P: $100.45, 16P: 0.00, and 17P: $355.82. As Parking Spaces 4P and 8P will be sold with Unit 1D and Unit 1E respectively, proceeds from such sale will be used to satisfy the outstanding taxes. Taxes due on the remaining Parking Spaces will be paid from proceeds of the sale of the Parking Spaces. (Title will not pass unless the outstanding real property tax liens (as well as any other outstanding tax liens) have been satisfied. The Estate shall be expressly authorized to use proceeds from the auction sale to satisfy outstanding real property taxes.

2. *Priority Tax Claims*

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

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

Description (Name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
IRS - FICA, FUTA	$7,247.39		Paid from Proceeds*

IRS - FICA, FUTA	$3,587.58	Paid from Proceeds*
IRS - Partnership Tax	$391.24	Paid from Proceeds*

* Sale of three (3) Parking Spaces

(All of the taxes listed above accrued within three (3) years of the date of the filing of the Petitions in Bankruptcy)

Classes of Claims and Equity Interests

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

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtors' bankruptcy estates (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code.

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

Class #	**Description**	**Insider?**	**Impairment**	**Treatment**
1(a)	**Mortgages**	**No**	**Yes**	**Receipt of Net Proceeds of Sale of Real Property Apartments 1D & 1E And two (2) parking spaces Through Auction**
1(b)	**Judgment**	**No**	**Yes**	**Receipt of Net Proceeds of Sale of three (3) Parking Spaces through Auction**

There is the Secured Claim of Jacob Rosenberg, pursuant to a Judgment of Foreclosure and Sale. Units 1D and 1E (together with two (2) parking spaces) will be sold at auction to satisfy the Secured Claim (after payment of Administrative Expenses and outstanding Real Property Taxes and Real Property Tax Liens as outlined above). Said Secured Claim will then be deemed fully satisfied (if the amount received is less than the amount of the Claim interposed by Rosenberg (Claim represented as $2,430,866.67 (as of December 31, 2017)). In the event that proceeds exceed the Claim (after payment of expenses, said additional proceeds shall be available to other Creditors of the Estate).

Three parking spaces will be sold for the benefit of The Board of Managers of the Vermeil Condominium to satisfy the Judgment in the amount of $831,247.22. Receipt of said funds will satisfy outstanding common charges, priority tax claims and compensation to the Post Plan Manager.

Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The following chart lists all classes containing claims under in §§ 507(a)(1), (4), (5), (6), and (7) of the Code and their proposed treatment under the Plan:

Class #	Description	Impairment	Treatment
2	None		

2. *Class(es) 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. (Insert description of §1122(b) convenience class if applicable.)

The following chart identifies the Plan's proposed treatment of Class(es)**___** through ___, which contain general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
3	**Unsecured Claims**	**Impaired**	**No Payments**

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.

The following chart sets forth the Plan's proposed treatment of the class(es) of equity interest holders: (There may be more than one class of equity interests in, for example, a partnership case, or a case where the prepetition debtor has issued multiple classes of stock.)

Class #	Description	Impairment	Treatment
4	**Equity interest holders**	**Impaired**	**No payments**

C. **Means of Implementing the Plan**

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following:

Sale of the real property.
Post-confirmation Management

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

Name	Affiliations	Insider (yes or no)	Position	Compensation
Barry D. Haberman	Attorney for Debtors	No	Attorney	Yes ($12,500.00)

The principals of the Debtors (insiders) are not expected to manage the affairs of the Debtors Post-Confirmation. To the extent necessary, said Barry D. Haberman, Esq. will act as disbursing agent. A bond will not be required. It is not reasonably anticipated that compensation in addition to the $12,500.00 stated above will be requested. The disbursing agent(s) shall maintain all accounts at banking institutions that are authorized depository institutions in the Eastern District of New York.

D. **Risk Factors**

The proposed Plan has the following risks:

(List all risk factors that might affect the Debtors' ability to make payments and other distributions required under the Plan.)

Minimal risk as the real property owned will be sold at auction. The result as to the secured creditors is the same as if the real property was sold at a foreclosure sale.

E. **Tax Consequences of Plan**

The proponent of this plan does not believe that there will be any negative tax consequences to the Debtors or to Creditors under the Plan. To the extent that a creditor is not paid in full under the Plan, such creditor may be entitled to a bad debt deduction. To the extent that a creditor has taken a bad debt deduction, Plan distributions may be taxable as income.

THE PROPONENT OF THIS PLAN DOES NOT PURPORT, THROUGH THIS DISCLOSURE STATEMENT, TO ADVISE THE CREDITORS OR INTEREST HOLDERS REGARDING THE TAX CONSEQUENCES OF THE TREATMENT OF THE CREDITORS AND INTEREST HOLDERS UNDER THE PLAN. CREDITORS

AND INTEREST HOLDER SHOULD SEEK INDEPENDENT COUNSEL CONCERNING THE TAX CONSEQUENCES OF THEIR TREATMENT UNDER THE PLAN.

IV. **CONFIRMATION REQUIRMENTS AND PROCEDURES**

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

A. **Who May Vote or Object**

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

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

In this case, the Plan Proponent believes that secured creditors are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that no other classes are impaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. *What is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 2018(a) of the Federal Rules of Bankruptcy Procedure.

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.

2. *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)(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).

3. *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 the 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.

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-third (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2 *Treatment of Non-accepting Classes*

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

As the Plan does not discriminate unfairly and as the Plan is fair and equitable under the circumstances, the Debtor is requesting the Court to bind the non-accepting classes.

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

C. **Liquidation Analysis**

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

D. **Feasibility**

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

1. *Ability to Initially Fund Plan*

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

2. *Ability to Make Future Plan Payments And Operate Without further Reorganization*

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

The Plan Proponent has provided projected financial information. Those projections are listed below.

1. The Plan would permit the sale of the real property at auction. The secured creditors will be paid upon satisfaction of outstanding tax liens and payment of administrative expenses and priority claims (entitled to a preference).

2. The balance of the funds (after satisfying all claims against the real property as evidenced in a Title Report) would be paid to unsecured creditors in proportion to their respective claims.

3. Any remaining funds would be paid to equity interests of the Estate.

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

V. EFFECT OF CONFIRMATION PLAN

A. NO DISCHARGE OF DEBTOR

No Discharge. As the Debtor, through the Plan is liquidating all or substantially all of the property of the Estate, and as the Debtor will not be conducting any business activity after the Plan is consummated, the Debtor is not eligible for a discharge, and the Debtor will not be receiving a discharge under the Plan.

However, Rosenberg and The Board of Managers of The Vermeil Condominium Association will provide full releases to the Debtors and the Debtors' members (in particular Jacob Pinson and Chana Pinson) as to all matters between the respective parties.

The Debtors (and Jacob Pinson and Chana Pinson) will also provide full releases to Jacob Rosenberg as to all matters between the respective parties, all parties expressly agree not to disparage each other, or commence an action in a Bet Din for any matter prior to the date of the within document).

The Debtors (and Jacob Pinson and Chana Pinson) will also provide full releases to The Board of Managers as to all matters between the respective parties, all parties expressly agree not to disparage each other, or commence an action in a Bet Din for any matter prior to the date of the within document).

Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.") Post-confirmation reports will be filed by the 20th day following the conclusion of the relevant calendar quarter.

Closing the Case

Pursuant to Local Bankruptcy Rule 3022-1, within fourteen (14) days following the full administration of its estate, the Debtors or the Plan Proponent shall file, on notice to the United States Trustee, an application and a proposed order for a final decree closing this case. Alternatively, the Court may enter such a final decree on its own motion.

Post-Confirmation

The Debtors shall continue to file quarterly post-confirmation status reports and hold post-confirmation status conferences until the case is converted, closed, or dismissed, whichever happens earlier.

VI. SALE OF REAL PROPERTY

Sale of the Real Property shall take place through an auction conducted by Maltz (prompt closing, property "as is" condition, no contingencies).

The sale of the Property shall take place free and clear of all liens, claims and encumbrances, with all liens, claims and encumbrances to attach to the proceeds of sale to the extent of the validity and the priority of such liens, claims and encumbrances held prior to the sale. The proceeds of the sale shall be applied on or about the closing to holders of allowed claims secured by valid and perfected liens and any other allowed liens which may be necessary, including any real estate taxes, water and sewer charges, and other Allowed municipal liens, and other liens or claims as necessary to close title unless the Debtors are exempted from payment, costs and expenses of the estate in connection with such sales, including brokers or auctioneer's fees, any closing costs and closing attorney's fees any unpaid United States Trustee fees and any unpaid administrative expenses for fees awarded to Court appointed professionals for the Debtors. All Lienors shall deliver any satisfactions, releases of judgment or other documentation necessary or desirable to effect closings on the sale of the Real Property, in exchange for and upon receipt and clearance of full payment of the allowed claim (unless such claim is reserved for). The Debtors may move in the Court herein on expedited five days notice to compel any such lienor to comply with its obligations hereunder.

All the transactions provided for or contemplated in this Plan, including the sale of Real Property, the cancellation of debt, and the making or delivery of instrument of transfer, shall be exempt from any taxes, transfer taxes, recording fees, or other charges which may be exempted under Section 1146 of the Bankruptcy Code.

VII. OTHER PLAN PROVISIONS

None

Respectfully submitted,

BY: /s/ Jacob Pinson
Jacob Pinson as Managing Member of
The Debtors
Debtor and Plan Proponent

BY: /s/ Barry D. Haberman
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EXHIBITS

Exhibit A – Copy of Proposed Plan of Reorganization

Exhibit B – Identity and Value of Material Assets of Debtors

Real Property identified as Unit 1D, 133 Seventh Place, Brooklyn, New York

Unit 1E 133 Seventh Place, Brooklyn, New York

Parking Space Unit 4 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 8 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 10 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 16 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 17 P, 133 Seventh Place, Brooklyn, New York

Exhibit C

Most Recently Filed Postpetition Operating Report

Exhibit D

Omitted

Exhibit E – Liquidation Analysis

Plan Proponent's Estimated Liquidation Value of Assets

Assets

Total Assets at Liquidation Value	$1,600,000.00
Less:	
Secured creditors' recoveries	$1,600,000.00
Less:	
Chapter 7 trustee fees and expenses	$10,000.00
Less:	
Chapter 11 administrative expenses	$35,000.00
Less:	
Tax Liens & Priority claims	$30,000.00
(1) Balance for unsecured claims	$0.00
(2) Total dollar amount of unsecured claims	$0.00
Percentage of Claims Which Unsecured Creditors Would Receive or Retain in a Chapter 7 Liquidation	$0.00
Percentage of Claims Which Unsecured Creditors Will Receive or Retain under the Plan:	$0.00

Liquidation would not provide complete recovery of Principal to Secured Creditor

Sale at auction provides best market for Secured Creditors and Priority Claims

Exhibit F – Projections of Cash Flow and Earnings for Post-Confirmation Period

1. The Plan would permit the sale of the real property pursuant via an auction.

2. Out of the proceeds of the sale, all Administration Expenses, Priority Claims and Real Estate Taxes would be satisfied, as allocated between Rosenberg and The Board of Managers of the Vermeil Condominium.

a. As to Unit 1D and Unit 1E, Rosenberg to pay outstanding Tax Liens and outstanding real property taxes, as to Unit 4P and Unit 8P, Rosenberg to pay outstanding real property taxes. Rosenberg to pay attorney fees of the Estate in the amount of $35,000.00. (In the event of successful Credit Bid, Rosenberg will fund the payments required herein.)

b. The Board of Managers will pay outstanding Priority Claims (IRS taxes in the amount of $11,226.21), outstanding Post-Petition Common Charges, and will fund the Post-Confirmation Compensation to Debtors' Counsel in the amount of $12,500.00. (In the event of successful Credit Bid, The Board of Managers will fund the payments required herein.)

3. Proceeds from the sale for of Unit 1D and Unit 1E (together with the sale of Unit 4P and Unit 8P) (less payments made pursuant to paragraph 2 above) would be remitted to Rosenberg.

4. Proceeds from the sale for of Unit 10P, Unit 16P and Unit 17P would be remitted to The Board of Managers of the Vermeil Condominium Association (less payments made pursuant

5. Upon occurrence of the foregoing, all assets will have been fully distributed. To the extent any funds remain, same would be proportionally divided among the general unsecured creditors.