

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re

Chapter 11

AABS 1200 LLC

Case no. 16-43204

Debtor.
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DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY AFFECT CREDITORS' DECISIONS TO ACCEPT OR REJECT THE PLAN OF REORGANIZATION ANNEXED HERETO AS EXHIBIT A. ALL CREDITORS ARE URGED TO READ THIS DISCLOSURE STATEMENT CAREFULLY. ALL CAPITALIZED TERMS CONTAINED IN THIS DISCLOSURE STATEMENT SHALL HAVE THE SAME MEANING AS CAPITALIZED TERMS CONTAINED IN THE PLAN OF REORGANIZATION.

COURT APPROVAL OF THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE COURT APPROVAL OF THE TERMS OF THE PLAN.

Mark A. Frankel
BACKENROTH FRANKEL & KRINSKY, LLP
800 Third Avenue
New York, New York 10022
Telephone: (212) 593-1100
Fascimile: (212) 644-0544

ATTORNEYS FOR THE DEBTOR

INTRODUCTION

1. The Debtor submits this Disclosure Statement ("Disclosure Statement") for the solicitation of acceptances of its Plan of Reorganization ("Plan") under Chapter 11 of the United States Bankruptcy Code. A copy of the Plan is attached hereto as Exhibit "A". All Creditors are urged to review the Plan, besides reviewing this Disclosure Statement. All capitalized terms used but not defined shall have the meaning as in the Plan.

2. This Disclosure Statement is not intended to replace a review and analysis of the Plan. Rather, it is submitted as a review of the Plan to explain the terms and implications of the Plan. Every effort has been made to fully explain the aspects of the Plan as it affects all Creditors. To the extent a Creditor has questions, the Debtor urges you to contact its counsel and every effort will be made to assist you.

3. On _____, 2017, after notice and a hearing, the Bankruptcy Court entered an order approving this Disclosure Statement as containing information of a kind and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, to enable Creditors to make an informed judgment on the Plan.

4. Creditors should read this Disclosure Statement in its entirety. All creditors are unimpaired under the Plan so the Debtor will not be soliciting votes. EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT, NO REPRESENTATIONS CONCERNING THE DEBTOR, ITS ASSETS, ITS PAST OR FUTURE OPERATIONS, OR THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN.

5. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUPPLIED BY THE DEBTOR. THE DEBTOR'S BOOKS AND RECORDS HAVE BEEN USED TO PROVIDE THE INFORMATION CONCERNING THE DEBTOR'S FINANCIAL CONDITION AS SET FORTH IN THIS DISCLOSURE STATEMENT. BASED UPON THE INFORMATION MADE AVAILABLE, DEBTOR'S COUNSEL HAS NO INFORMATION TO INDICATE THAT THE INFORMATION DISCLOSED HEREIN IS INACCURATE. NEITHER THE DEBTOR NOR ITS COUNSEL, HOWEVER, IS ABLE TO STATE DEFINITELY THAT THERE IS NO INACCURACY HEREIN OR THAT FUTURE EVENTS MAY NOT RENDER THE INFORMATION CONTAINED HEREIN INACCURATE.

6. The Bankruptcy Court has entered an Order fixing _____, 2017, at _____ a.m., at the United States Bankruptcy Court, Conrad B Duberstein Courthouse, 271-C Cadman Plaza East, Brooklyn, NY 11201, as the date, time and place for the hearing on confirmation of the Plan, and fixing _____, 2017, as the last date for the filing of any objections to confirmation of the Plan.

BACKGROUND

7. On September 19, 2016, the Court entered an order of relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. 101 et seq. (the "Bankruptcy Code").

8. On July 21, 2016, Ikon Innovation Inc., Complete Condo Management, and Eretz Build Asst. NY Inc. (the "Petitioners") filed an involuntary Chapter 11 petition.

9. The Debtor is a shell entity whose sole asset is the certain contract (“Contract”) to purchase the property at 4202 Fort Hamilton Parkway, Brooklyn, New York (“Property”)

10. The Contract was entered into with the Maltz Family Partnership (“Seller”) in 2005 for \$4,550,000. The sale was scheduled on July 21, 2016, after a substantial increase in Brooklyn property values since 2005. Closing the deal will give the Debtor substantial equity in valuable real estate, and the ability to pay creditors.

11. The Debtor appeared at the closing ready, willing and able to close.

12. But the Petitioners blocked the closing by filing their involuntary petition hours before the scheduled closing, and then notifying the Seller and its counsel that the automatic stay enjoined the closing.

13. The Petition was filed against the background of a multi-year battle between Samuel Pfeiffer, Jacob Birnbaum and Abraham Sofer both in a rabbinical arbitration and in Kings County Supreme Court for ownership and control of the Debtor.

14. The day before the Petitioners filed in this Court, the Supreme Court denied Mr. Pfeiffer’s demand that that the State Court remove Birnbaum and Sofer from control and put Pfeiffer in control so Pfeiffer could close and control the deal. Specifically, the Supreme Court refused to reconsider its earlier orders and earlier Rabbinical Court orders barring Pfeiffer from acting in the Debtor’s name.

15. The involuntary petitioners are unknown to the Debtor. It is unusual that such claims would even exist against a shell company whose only asset is a purchase contract. The Petitioners allege that Pfeiffer hired them ostensibly on the Debtor’s behalf.

16. In any event, they successfully blocked the Debtor from closing on a valuable piece of Brooklyn real estate in 2016 at a 2005 purchase price.

17. Ultimately, the Debtor consented to relief under Chapter 11 to enable the Debtor to close with protection under the Bankruptcy Code from future efforts to obstruct closing.

18. The Court entered an order of relief on September 19, 2016.

19. In the meantime, the Debtor and Pfeiffer stipulated to relief from the automatic stay so the rabbinical arbitration and Supreme Court litigation could proceed.

20. The Debtor's informal estimate of Contract value is \$5,300,000. The Debtor arrived at this value by subtracting the amount due on the Contract, estimated to be \$3,700,000 net of deposits paid, from the estimated \$9,000,000 value of the property.

21. Unsecured claims are asserted in the amount of about \$4,430,000. These include claims by Birnbaum and Pfeiffer for amounts advanced to obtain closing extensions from the Seller, and the petitioner's claims.

22. During this case, the parties stipulated that the Debtor must close on its purchase of the Property from the Seller by November 21, 2017. In the meantime, the Debtor must make monthly \$25,000 payments to the Seller. But the litigation among the Debtor, Pfeiffer and Birnbaum has been moving slowly with not end in sight. The Debtor's first priority is to preserve and protect the benefit of its bargain under the Contract to purchase the Property, regardless of the outcome of the pending litigation. To do that, the Debtor must close on the sale from the Seller, and then monetize the asset by selling to a new purchaser. This will lock in the

value of the asset, provide a means for payment of creditor claims, and save the estate the ongoing cost of delaying the closing. The Plan accomplishes all of those objectives.

DEBTOR'S PLAN OF REORGANIZATION

CLASSIFICATION AND TREATMENT OF CLAIMS

Class 1

- 23. **Classification** – Seller Claims total approximately \$4,550,000
- 24. **Treatment** -- Payment in full in Cash of Allowed Amount of Seller's Claim.
- 25. **Voting** -- Unimpaired and deemed to have accepted the Plan.

Class 2

- 26. **Classification** – Priority Claims under Sections 507(a)(2),(3),(4),(5),(6), and (7) of the Bankruptcy Code. Claims total approximately \$0.
- 27. **Treatment** – Payment in full in Cash of Allowed Amount of Claim plus interest at the statutory rate until payment.
- 28. **Voting** -- Unimpaired and deemed to have accepted the Plan.

Class 3

- 29. **Classification** – General Unsecured Claims. Claims asserted in the amount of approximately approximately \$4,430,000.

30. **Treatment** – Payment in full in Cash of Allowed Amount on the Effective Date, plus interest at the Legal Rate as it accrues from the Petition Date through the date of payment.

31. **Voting** – Unimpaired and deemed to have accepted the Plan.

Class 4

32. **Classification** – Interests Holders.

33. **Treatment** – Entitled to continued ownership of Interests.

34. **Voting** – Unimpaired and deemed to have accepted the Plan.

UNCLASSIFIED PRIORITY TAX CLAIMS

35. Priority tax Claims under Sections 507(a)(8) of the Bankruptcy Code total approximately 0. The treatment of such Claims, if any, shall be payment in full in Cash of the Allowed Claim on the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

ADMINISTRATIVE EXPENSES

36. Allowed Administrative Expenses shall be paid in full, in cash on the Effective Date, or the date such Administrative Expense becomes Allowed or as soon as practicable thereafter, except if the holder of an Allowed Administrative Expense agrees to a different treatment; provided, however, that Allowed Administrative Expenses representing obligations in the ordinary course of business or assumed by the Debtor shall be paid in full or performed by the Debtor in the ordinary course of business or under the terms and conditions of the particular transaction. Any outstanding U.S. Trustee fees shall be paid in full in Cash on the

Effective Date. United States Trustee fees will be paid, and operating reports will be filed as they come due by the Debtor.

MEANS FOR IMPLEMENTATION

37. **Source of Funds** – On the Effective Date, the Debtor shall close on the purchase of the Property from the Seller and simultaneously sell the Property to the Purchaser under the Plan. Effective Date payments under the Plan will be paid from the proceeds of the sale of the Property as described in Exhibit A to the Plan. The transfers of the Property under the Plan shall be free and clear of all liens, claims and encumbrances, with any such liens, claims and encumbrances to attach to the sale proceeds, and to be disbursed under the Plan.

38. **Sale Approval** – As part of the sale under the Plan, and in order to ensure consummation of the Plan, the Plan requires that the Confirmation Order contain the following findings of fact and conclusions of law: (a) that the terms and conditions of the sale are fair and reasonable, (b) that the Debtor's sale, and the Purchaser's purchase, of the Property pursuant to the Plan and the purchase agreement, is non-collusive, fair and reasonable and was conducted openly and in good faith, (c) that the transfer of the Property to the purchaser represents an arm's-length transaction and was negotiated in good faith between the parties, (d) that the purchaser, as transferee of the Property, is a good faith purchaser under Bankruptcy Code § 363(m) and, as such, is entitled to the full protection of Bankruptcy Code § 363(m), (e) the sale of the Property to the purchaser was not controlled by an agreement among potential purchasers, (f) that no cause of action exists against the Purchaser or with respect to the sale of the Property to the purchaser under Bankruptcy Code § 363(n), and (g) that any claims under Bankruptcy Code § 363(n) or any other claims as against the Purchaser are hereby released, waived and discharged.

39. **Release of Liens** -- Except as otherwise provided for in the Plan, (a) each holder of a Secured Claim, if any, shall on the Effective Date (x) turn over and release to the Debtor any and all Collateral that secures or purportedly secures such Claim, as pertains to the Property or such Lien shall automatically, and without further action by the Debtor be deemed released, and (y) execute such documents and instruments as the Debtor requests to evidence such Claim holder's release of such property or Lien.

40. **Stamp Tax** -- Under the Plan, pursuant to Bankruptcy Code § 1146(c), (a) the issuance, transfer or exchange of any securities, instruments or documents, (b) the creation of any other Lien, mortgage, deed of trust or other security interest, (c) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with, the Plan, including, without limitation, any deeds, bills of sale or assignments executed in connection with the purchase and sale of the Property and any other transaction contemplated under the Plan or the re-vesting, transfer or sale of any real or personal property of the Debtor pursuant to, in implementation of, or as contemplated in the Plan, and (d) the issuance, renewal, modification or securing of indebtedness by such means, and the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, the Confirmation Order, shall not be subject any applicable document recording tax, stamp tax, conveyance fee or other similar tax, mortgage tax, real estate transfer tax, or other similar tax or governmental assessment.

41. **Vesting** -- Except as otherwise provided in the Plan, on the Effective Date all assets and properties of the Estate shall vest in the Debtor free and clear of all Liens, Claims and encumbrances and any and all liens, claims and encumbrances that have not been expressly

preserved under the Plan shall be deemed extinguished as of such date. Except as otherwise provided herein, as of the Effective Date, all property of the Debtor shall be free and clear of all Claims and Interests of Creditors, except for the obligations that are imposed under the Plan or by a Final Order of the Bankruptcy Court.

42. **Execution of Documents** -- The Debtor shall be authorized to execute, in the name of any necessary party, any notice of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved in the Plan and deliver such notices to any and all federal, state and local governmental agencies or departments for filing and recordation.

43. **Recording Documents** -- Each and every federal, state and local governmental agency or department shall be authorized to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transaction contemplated by the Plan, including, but not limited to any and all notices of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved by the Plan, and the Confirmation Order.

LIQUIDATION ANALYSIS

44. In a liquidation under Chapter 7 of the Bankruptcy Code, the Debtor's assets would be sold and the sale proceeds distributed to creditors in their order of priority. The Debtor believes that the Plan provides a larger return for the Debtor's estate as could be achieved in a liquidation. As set forth on Exhibit B hereto, the Debtor projects that in a Chapter 7 liquidation, the return to the Debtor's estate would be reduced by an additional layer of administration legal expenses and commissions, which the Debtor estimates would total at least 15% of the sale proceeds.

LITIGATION ANALYSIS

45. The Debtor s knows of no pending litigation or potential litigation, except where the Debtor is a named party in litigation and arbitration between and among Samuel Pfeiffer, Hershel Fischman, Jacob Birnbaum and Abraham Sofer. On September 13, 2016, the Bankruptcy Court entered an order lifting the automatic stay to permit certain of such disputes to proceed in the New York State Supreme Court and rabbinical arbitration forums.

PAYMENT OF CLAIMS AND OBJECTIONS TO CLAIMS

46. The Debtor shall be disbursing agent under the Plan without a bond. The Debtor reserves the right to file objections to claims in the event grounds exist to object to particular claims, for a period of 120 days after the Effective Date. On the initial distribution date and on each distribution date as may thereafter be necessary, the Debtor shall maintain an undetermined claims distribution reserve for the holders of undetermined claims as of such date in a sum not less than the amount required to pay each such undetermined claim if such claim was allowed in full. To the extent that an undetermined claim becomes an Allowed Claim, the distributions reserved for such Allowed Claim, shall be released from the undetermined claims distribution reserve and paid to the holder of such Allowed Claim. After all the amounts of all undetermined claims have been fixed, the balance of the undetermined claims distribution reserve shall thereafter be paid in accordance with the Plan.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

47. The Contract for the Debtor's purchase of the Property from the Seller is deemed assumed under the Plan. All other executory contracts, including any executory contracts or leases with the Petitioners are deemed rejected under the Plan, unless assumed by

the Confirmation Date. In the event of a rejection which results in damages, a proof of claim for such damages must be filed by the damaged party with the Court within sixty (60) days after the Effective Date. All Allowed Claims arising from the rejection of any Executory Contract or unexpired lease shall be treated as Unsecured Claims. Any Claim arising from the rejection of any Executory Contract or unexpired lease not filed with the Court within the time period provided herein shall be deemed discharged and shall not be entitled to participate in any distribution under the Plan.

MANAGEMENT OF THE DEBTOR

48. The Debtor is managed by Jacob Birnbaum. Post-confirmation management shall remain unchanged.

TAX CONSEQUENCES

49. The Debtor does not believe there will be any negative tax consequences to the Debtor 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. If a creditor has taken a bad debt deduction, Plan distributions may be taxable as income.

50. THE DEBTOR 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.

VOTING PROCEDURES AND REQUIREMENTS

51. The Plan provides for payment in full for all creditors so the Debtor will not be soliciting votes.

CONFIRMATION OF THE PLAN

52. Section 1128(a) of the Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing on confirmation of the Plan (the "Confirmation Hearing"). Section 1128(b) provides that any party in interest may object to confirmation of the Plan.

53. By order of the Bankruptcy Court dated _____, 2017, the Confirmation Hearing has been scheduled for _____, 2017, at _____ .m., in the Honorable Nancy H. Lord's Courtroom, United States Bankruptcy Court, Conrad B Duberstein Courthouse, 271-C Cadman Plaza East, Brooklyn, NY 11201. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjourned Confirmation Hearing. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court with proof of service and served upon the following by _____, 2017: Backenroth Frankel & Krinsky, LLP, 800 Third Avenue, New York, New York 10022, Attn: Mark A. Frankel, Esq. Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

54. At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied to enter an order confirming the Plan. The applicable requirements are as follows: (a) The Plan complies with the applicable provisions of the Bankruptcy Code, (b) the Debtor has complied with the

applicable provisions of the Bankruptcy Code; (c) the Plan has been proposed in good faith and not by any means forbidden by law, (d) any payment made or promised or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable, (e) the Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a Plan with the Debtor, or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and equity security holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider, (f) with respect to each class of impaired Claims, either each holder of a Claim or interest of such class has accepted the Plan, or will receive or retain under the Plan on account of such Claim or interest property of a value, as of the Effective Date of the Plan, an amount that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code, (g) each class of Claims or interests has either accepted the Plan or is not impaired under the Plan, (h) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expenses and priority Claims will be paid in full on the Effective Date, (i) at least one class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider

holding a Claim of such class, and (j) 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 successors to the Debtor under the Plan unless such liquidation or reorganization is proposed in the Plan.

55. The Debtor believes that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Debtor has complied or will have complied with all of the requirements of Chapter 11, and that the proposals in the Plan are made in good faith.

CONCLUSION

56. The Debtor urges the Debtor's Creditors to support the Plan.

Dated: New York, New York
January __, 2017

AABS 1200 LLC
Debtor and Debtor in Possession

By: s/ Jacob Birnbaum

BACKENROTH FRANKEL & KRINSKY, LLP
Attorneys for Debtor

By: s/Mark Frankel
800 Third Avenue
New York, New York 10022
(212) 593-1100

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re

Chapter 11

AABS 1200 LLC

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PLAN OF REORGANIZATION

Mark A. Frankel
BACKENROTH FRANKEL & KRINSKY, LLP
800 Third Avenue
New York, New York 10022
Telephone: (212) 593-1100
Fascimile: (212) 644-0544

ATTORNEYS FOR THE DEBTOR

INTRODUCTION

AABS 1200 LLC ("Debtor"), proposes this Plan of Reorganization to its Creditors. UPON CONFIRMATION, THIS PLAN SHALL BE A BINDING OBLIGATION BETWEEN AND AMONG THE DEBTOR AND EACH OF THE DEBTOR'S CREDITORS (AS SUCH TERMS ARE DEFINED BELOW).

DEFINITIONS

As used in this Plan, the following terms will have the meanings hereinafter set forth:

1. "Administrative Expense" shall mean any cost or expense of administration of the Bankruptcy Case entitled to priority under section 507(a)(1) and allowed under section 503(b) of the Bankruptcy Code, and any fees or charges assessed against the Debtor's Estate under Chapter 123, Title 28, United States Code.
2. "Administrative Expense Claim" shall mean claim for payment of an Administrative Expense.
3. "Allowance Date" shall mean the date which a Disputed Claim becomes an Allowed Claim by Final Order.
4. "Allowed Claim" shall mean a Claim: (a) to the extent that a proof of claim is filed timely or, with leave of the Court late filed as to which (i) no party in interest files an objection or (ii) which is allowed by a Final Order; or (b) which is listed on the Debtor's schedules or any amendments thereto but which is not listed therein as disputed, unliquidated or contingent.

5. "Allowed Secured Claim" shall mean a Secured Claim to the extent it is an Allowed Claim.

6. "Allowed Unsecured Claim" shall mean an Unsecured Claim to the extent it is an Allowed Claim.

7. "Bankruptcy Case" shall mean this Chapter 11 bankruptcy case.

8. "Bankruptcy Code" shall mean Title 11 of the United States Code (11. U.S.C. § 101 et. seq.

9. "Bankruptcy Court" shall mean the Court as defined below.

10. "Bar Date" shall mean February 10, 2017.

11. "Cash" shall mean all cash and cash equivalents which evidence immediately available funds in United States dollars.

12. "Claim" shall mean a right to payment as set forth in § 101(5) of the Bankruptcy Code.

13. "Claimant" shall mean the holder of a Claim.

14. "Confirmation Date" shall mean the date of the entry of the Confirmation Order.

15. "Confirmation Hearing" shall mean the hearing under the Bankruptcy Code Section 1128 before the Bankruptcy Court regarding the proposed confirmation of the Plan.

16. "Confirmation Order" shall mean the order confirming the Plan.

17. "Court" shall mean the United States Bankruptcy Court for the EASTERN District of New York.

18. "Creditor" shall mean any entity that holds a Claim against the Debtor.

19. "Debtor" shall mean AABS 1200 LLC

20. "Disputed Claim" shall mean the whole or any portion of any claim against the Debtor to which an objection is timely filed as to which a Final Order has not been entered allowing or disallowing such Claim or any portion thereof.

21. "Effective Date" shall mean the Date upon which the Confirmation Order is a Final Order, or such other date after the Confirmation Date as may be practicable.

22. "Estate" shall mean the estate of the Debtor created upon the commencement of the Bankruptcy Case under Section 541 of the Bankruptcy Code.

23. "Executory Contracts" shall mean "executory contracts" and "unexpired leases" as such terms are used within Section 365 of the Bankruptcy Code.

24. "Final Order" shall mean an order of the Court that has not been reversed, modified, amended or stayed, and as to which the time to appeal or to seek review or certiorari thereof has expired, and as to which no appeal, review or rehearing is pending.

25. "Interest" shall mean an existing ownership interest in the Debtor.

26. "Interest Holder" shall mean a holder and owner of an existing Interest in the Debtor.

27. "Legal Rate" shall mean the applicable interest rate as set forth in 28 U.S.C. §1961 as of the Petition Date.

28. "Lien" shall mean a charge against or interest in property to secure payment of a debt or performance of an obligation.
29. "Petition Date" shall mean September 19, 2016.
30. "Plan" shall mean this Plan of Reorganization, and all modifications and/or amendments hereto.
31. "Property" shall mean 4202 Fort Hamilton Parkway, Brooklyn, New York.
32. "Proponent" shall mean AABS 1200 LLC.
33. "Purchaser" shall mean the purchaser of the Property from the Debtor under the Plan.
34. "Secured Claim" shall mean a Claim secured by a Lien on property included within the Debtor's Estate.
35. "Secured Creditor" shall mean the owner or holder of a Secured Claim.
36. "Seller" shall mean the Maltz Family Partnership.
37. "Unsecured Claim" shall mean a claim for which the Claimant does not hold (a) a valid, perfected and enforceable Lien, security interest or other interest in or encumbrance against Debtor or the Debtor's Estate; (b) a right to setoff to secure the payment of such Claim. An Unsecured Claim includes, but is not limited to, a Claim for damages resulting from rejection of any Executory Contract pursuant to Section 365 of the Bankruptcy Code, and does not include administrative or priority claims.
38. "Unsecured Creditor" shall mean the owner or holder of an Unsecured Claim.

CLAIMS CLASSIFICATION AND TREATMENT

Class 1

39. **Classification** – Seller Claims total approximately \$4,550,000

40. **Treatment** -- Payment in full in Cash of Allowed Amount of Seller's Claim.

41. **Voting** -- Unimpaired and deemed to have accepted the Plan.

Class 2

42. **Classification** – Priority Claims under Sections 507(a)(2),(3),(4),(5),(6), and (7) of the Bankruptcy Code. Claims total approximately \$0.

43. **Treatment** – Payment in full in Cash of Allowed Amount of Claim plus interest at the statutory rate until payment.

44. **Voting** -- Unimpaired and deemed to have accepted the Plan.

Class 3

45. **Classification** – General Unsecured Claims. Claims asserted in the amount of approximately \$4,430,000.

46. **Treatment** – Payment in full in Cash of Allowed Amount on the Effective Date, plus interest at the Legal Rate as it accrues from the Petition Date through the date of payment.

47. **Voting** – Unimpaired and deemed to have accepted the Plan.

Class 4

- 48. **Classification** – Interests Holders.
- 49. **Treatment** – Entitled to continued ownership of Interests.
- 50. **Voting** – Unimpaired and deemed to have accepted the Plan.

UNCLASSIFIED PRIORITY TAX CLAIMS

51. Priority tax Claims under Sections 507(a)(8) of the Bankruptcy Code total approximately 0. The treatment of such Claims, if any, shall be payment in full in Cash of the Allowed Claim on the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

ADMINISTRATION CLAIMS

52. Allowed Administrative Expenses shall be paid in full in Cash on the Effective Date, or the date such Administrative Expense becomes Allowed, except to the extent that the holder of an Allowed Administrative Expense agrees to a different treatment; provided however, that Allowed Administrative Expenses representing obligations incurred in the ordinary course of business or assumed by the Debtor shall be Paid in full or performed by the Debtor in the ordinary course of business or pursuant to the terms and conditions of the particular transaction. Any outstanding U.S. Trustee fees shall be paid in full in Cash on the Effective Date. United States Trustee fees will be paid, and operating reports will be filed as they come due by the Debtor.

MEANS FOR IMPLEMENTATION

53. **Source of Funds** – On the Effective Date, the Debtor shall close on the purchase of the Property from the Seller and simultaneously sell the Property to the Purchaser under the Plan. Effective Date payments under the Plan will be paid from the proceeds of the sale of the Property as described in Exhibit A to the Plan. The transfers of the Property under the Plan shall be free and clear of all liens, claims and encumbrances, with any such liens, claims and encumbrances to attach to the sale proceeds, and to be disbursed under the Plan.

54. **Sale Approval** – As part of the sale under the Plan, and in order to ensure consummation of the Plan, the Plan requires that the Confirmation Order contain the following findings of fact and conclusions of law: (a) that the terms and conditions of the sale are fair and reasonable, (b) that the Debtor's sale, and the Purchaser's purchase, of the Property pursuant to the Plan and the purchase agreement, is non-collusive, fair and reasonable and was conducted openly and in good faith, (c) that the transfer of the Property to the purchaser represents an arm's-length transaction and was negotiated in good faith between the parties, (d) that the purchaser, as transferee of the Property, is a good faith purchaser under Bankruptcy Code § 363(m) and, as such, is entitled to the full protection of Bankruptcy Code § 363(m), (e) the sale of the Property to the purchaser was not controlled by an agreement among potential purchasers, (f) that no cause of action exists against the Purchaser or with respect to the sale of the Property to the purchaser under Bankruptcy Code § 363(n), and (g) that any claims under Bankruptcy Code § 363(n) or any other claims as against the Purchaser are hereby released, waived and discharged.

55. **Release of Liens** -- Except as otherwise provided for in the Plan, (a) each holder of a Secured Claim, if any, shall on the Effective Date (x) turn over and release to the

Debtor any and all Collateral that secures or purportedly secures such Claim, as pertains to the Property or such Lien shall automatically, and without further action by the Debtor be deemed released, and (y) execute such documents and instruments as the Debtor requests to evidence such Claim holder's release of such property or Lien.

56. **Stamp Tax** -- Under the Plan, pursuant to Bankruptcy Code § 1146(c), (a) the issuance, transfer or exchange of any securities, instruments or documents, (b) the creation of any other Lien, mortgage, deed of trust or other security interest, (c) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with, the Plan, including, without limitation, any deeds, bills of sale or assignments executed in connection with the purchase and sale of the Property and any other transaction contemplated under the Plan or the re-vesting, transfer or sale of any real or personal property of the Debtor pursuant to, in implementation of, or as contemplated in the Plan, and (d) the issuance, renewal, modification or securing of indebtedness by such means, and the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, the Confirmation Order, shall not be subject any applicable document recording tax, stamp tax, conveyance fee or other similar tax, mortgage tax, real estate transfer tax, or other similar tax or governmental assessment.

57. **Vesting** -- Except as otherwise provided in the Plan, on the Effective Date all assets and properties of the Estate shall vest in the Debtor free and clear of all Liens, Claims and encumbrances and any and all liens, claims and encumbrances that have not been expressly preserved under the Plan shall be deemed extinguished as of such date. Except as otherwise provided herein, as of the Effective Date, all property of the Debtor shall be free and clear of all

Claims and Interests of Creditors, except for the obligations that are imposed under the Plan or by a Final Order of the Bankruptcy Court.

58. **Execution of Documents** -- The Debtor shall be authorized to execute, in the name of any necessary party, any notice of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved in the Plan and deliver such notices to any and all federal, state and local governmental agencies or departments for filing and recordation.

59. **Recording Documents** -- Each and every federal, state and local governmental agency or department shall be authorized to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transaction contemplated by the Plan, including, but not limited to any and all notices of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved by the Plan, and the Confirmation Order.

DISTRIBUTIONS TO CREDITORS

60. The Debtor shall be disbursing agent under the Plan without a bond. The Debtor reserves the right to file objections to claims in the event grounds exist to object to particular claims, for a period of 120 days after the Effective Date. On the initial distribution date and on each distribution date as may thereafter be necessary, the Debtor shall maintain an undetermined claims distribution reserve for the holders of undetermined claims as of such date in a sum not less than the amount required to pay each such undetermined claim if such claim was allowed in full. To the extent that an undetermined claim becomes an Allowed Claim, the distributions reserved for such Allowed Claim, shall be released from the undetermined claims distribution reserve and paid to the holder of such Allowed Claim. After all the amounts of all

undetermined claims have been fixed, the balance of the undetermined claims distribution reserve shall thereafter be paid in accordance with the Plan.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

61. The Contract for the Debtor's purchase of the Property from the Seller is deemed assumed under the Plan. All other executory contracts, including any executory contracts or leases with the Petitioners are deemed rejected under the Plan, unless assumed by the Confirmation Date. In the event of a rejection which results in damages, a proof of claim for such damages must be filed by the damaged party with the Court within sixty (60) days after the Effective Date. All Allowed Claims arising from the rejection of any Executory Contract or unexpired lease shall be treated as Unsecured Claims. Any Claim arising from the rejection of any Executory Contract or unexpired lease not filed with the Court within the time period provided herein shall be deemed discharged and shall not be entitled to participate in any distribution under the Plan.

RETENTION OF JURISDICTION

62. Retention of Jurisdiction. The Court shall have jurisdiction over all matters arising under, arising in, or relating to the Debtor's Bankruptcy Case including, but not limited to, proceedings: (a) to consider any modification of the Plan under section 1127 of the Bankruptcy Code; (b) to hear and determine all Claims, controversies, suits and disputes against the Debtor to the full extent permitted under 18 U.S.C. §1334 and 28 U.S.C. §157; (c) to hear, determine and enforce all Claims and causes of action which may exist on behalf of the Debtor or the Debtor's estate, including, but not limited to, any right of the Debtor or the Debtor's Estate to recover assets under the Bankruptcy Code; (d) to hear and determine all requests for

compensation and/or reimbursement of expenses which may be made; (e) to value assets of the Estate; (f) to enforce the Confirmation Order, the final decree, and all injunctions therein; (g) to enter an order concluding and terminating the Bankruptcy Case; (h) to correct any defect, cure any omission, or reconcile any inconsistency in the Plan, or the Confirmation Order; (h) to determine all questions and disputes regarding title to the assets of the Debtor; and (i) to re-examine Claims which may have been allowed for purposes of voting, and to determine objections which may be filed to any Claims.

GENERAL PROVISIONS

63. Headings. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the meaning of the Plan.

64. Calculation of Time Periods. Bankruptcy Rule 9006 is incorporated herein for purposes of calculating the dates set forth herein.

65. Other Actions. Nothing contained herein shall prevent the Debtor, Interest Holders, or Creditors from taking such actions as may be necessary to consummate the Plan, although such actions may not specifically be provided for within the Plan.

66. Modification of Plan. The Debtor may seek amendments or modifications to the Plan under section 1127 of the Bankruptcy Code prior to the Confirmation Date. After the Confirmation Date, the Debtor may seek to remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan

INJUNCTION AND PROPERTY OF THE ESTATE

67. Injunction. The confirmation of this Plan shall constitute an injunction of the Court against the commencement or continuation of any action, the employment of process, or any act, to collect, recover or offset from the Debtor or its property or properties, any obligation or debt except pursuant to the terms of the Plan.

CLOSING THE CASE

68. Upon substantial consummation, the Debtor may move for a final decree to close the Bankruptcy Case and to request such other orders as may be just.

Dated: New York, New York
January 17, 2017

AABS 1200 LLC

By: s/ Jacob Birnbaum

BACKENROTH FRANKEL & KRINSKY, LLP
Attorneys for Debtor

By: s/Mark A. Frankel
800 Third Avenue
New York, New York 10022
(212) 593-1100

EXHIBIT A TO PLAN

SALE AND BID PROCEDURES

Set forth below are the bid procedures (the “**Bidding Procedures**”) to be employed in connection with the sale of Real Property located at 4202 Fort Hamilton Parkway, Brooklyn, New York (the “**Real Property**”) owned by AABS 1200 LLC (the “**Debtor**”) pursuant to the Disclosure Statement and Chapter 11 Plan (“**Plan**”) in the Debtor’s chapter 11 case pending in the United States Bankruptcy Court for the EASTERN District of New York (the “**Bankruptcy Court**”), case number 16-43204 (the “**Bankruptcy Case**”).

The Real Property shall be sold to _____ (“**Purchaser**”) for a purchase price totaling \$_____. The Sale is subject to (i) approval by the Bankruptcy Court; (ii) entry of an order, providing, *inter alia*, that Purchaser is a good faith purchaser; and that the sale of the Real Property to Purchaser shall be free and clear of all liens, claims, encumbrances and interests (the “**Stalking Horse Offer**”). The Stalking Horse Offer is subject to competitive bidding as set forth herein.

The Bidding Procedures

69. **Proposed Stalking Horse Offer Subject to Higher and Better Offers.**

The sale of the Real Property and the Stalking Horse Offer is subject to higher and better offers, and, as such, Purchaser will serve as the “stalking-horse” bidder for the Real Property.

70. **Provisions Governing Qualifications of Bidders.** To participate in the

Bidding Process, prior to the Bid Deadline (defined below), to be deemed a Qualified Bidder a

potential bidder ("**Potential Bidder**") must deliver the following to the Notice Parties (as defined below):

- (i) a written disclosure of the identity of each entity that will bid for the Real Property or otherwise participate in such bid;
- (ii) deliver documents necessary to reasonably permit the Debtor and the Court, if necessary, to determine that the Potential Bidder is reasonably likely to submit a *bona fide* offer and to be able, financially and legally, to consummate a sale if selected as a Successful Bidder.

71. **Provisions Governing Qualified Bids.** A bid submitted will be a Qualified Bid only if the bid is submitted by a Qualified Bidder and complies with all of the following (a "**Qualified Bid**"):

- (i) it is accompanied by a signed copy of these Bidding Procedures;
- (ii) it states that the Qualified Bidder offers to purchase the Real Property upon the terms and conditions that are no less favorable to the Debtor than those set forth in the Stalking Horse Offer;
- (iii) it includes a signed writing that the bidder's offer is irrevocable until the selection of the Successful Bidder, provided that if such bidder is selected as the Successful Bidder its offer shall remain irrevocable.
- (iv) it states that there are no conditions precedent to the bidder's ability to enter into a definitive agreement and that all necessary internal and shareholder approvals have been obtained prior to the bid;
- (iv) it includes a duly authorized and executed copy of the Form Asset Purchase Agreement, annexed hereto as **Exhibit 1** including the purchase price for the Real Property expressed in U.S. Dollars (the "Purchase Price") and which shall be for a minimum purchase price of \$_____ (the "**Minimum Overbid**"), with all exhibits and schedules thereto, with copies marked to show any amendments and modifications to the Form Asset Purchase Agreement ("Marked Agreement") and the proposed orders to approve the sale by the Bankruptcy Court;¹

¹ While bidders may suggest modifications to the Form Agreement, any such modifications deemed to increase the obligations or burdens upon the Debtor's estate (such as additional conditions) will be factored into the consideration of whether to accept such bid. Bidders should note that the Form Agreement provides, or shall provide, for rejection of any and all of the Debtor's executory contracts, except for tenant leases, at Confirmation. Except for tenant leases, the Debtor does not appear to be a party to any other executory contracts.

- (v) it is accompanied by a good faith deposit by wire transfer or bank check payable to the order of the Debtor's Attorney Trust Account equal to ten percent (10%) of the Minimum Overbid (the "**Deposit**");
- (vi) it is received prior to the Bid Deadline;
- (vii) it states the Qualified Bidder is not relying upon any written or oral statements, representations, promises, warranties or guarantees of any kind whether expressed or implied, by operation of law or otherwise, made by any person or party including the Debtor, and its respective agents and representatives regarding the Real Property, the Bid Procedures or any information provided in connection therewith;
- (viii) it acknowledges the bid does not request or entitle the Qualified Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment;
- (ix) it states that the bid is not be conditioned on obtaining financing or any internal approval, on the outcome or review of due diligence, environmental, or any other contingencies not otherwise contained in the Purchase Agreement;
- (x) it states that the sale of the Real Property is subject to confirmation of the Plan.

72. **Bid Deadline.** The deadline for submitting bids shall be _____, 2017 at 4:00 p.m. (the "**Bid Deadline**"). Prior to the Bid Deadline, a bidder that desires to make an offer, solicitation or proposal (a "**Bid**") must deliver written copies of its Bid to counsel for the Debtor: Backenroth Frankel & Krinsky, LLP, attn. Mark Frankel, 800 Third Avenue, New York, NY 10022 (Email: mfrankel@bfklaw.com) (the "**Notice Party**").

73. **The Auction Process.** If a Qualified Bid is received, an auction sale (the "**Auction**") will be conducted at _____, on _____, 2017 at ____:00. Counsel to the Debtor shall confirm to all Qualified Bidders the time and place of the Auction and notify such bidders of the material terms which the Debtor, believes is the highest, best and otherwise financially superior offer for the Real Property, as determined by the Debtor (the "**Opening Bid**"). If, however, no Qualified Bid is received, then the Auction will

not be held, and the Stalking Horse Offer shall be deemed to be the Successful Bid, subject to Bankruptcy Court approval. The Auction shall run under the following procedures:

- (i). Participation at Auction. Attendance at the Auction shall be limited to the Debtor and its representatives, and any Qualified Bidder, or its duly authorized representative, (and the legal and financial advisers to each of the foregoing).
- (ii). No Collusion. Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion regarding the bidding or the proposed Sale.
- (iii). at least one (1) Business Day prior to the Auction, each Qualified Bidder who has timely submitted a Qualified Bid must inform Debtor's counsel whether it intends to attend the Auction; provided that if a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall remain fully enforceable against such Qualified Bidder until the date of the selection of the Successful Bidder and Back-Up Bidder at the conclusion of the Auction. At least one (1) Business Day prior to the Auction, the Debtor's counsel will provide copies of the Qualified Bid or combination of Qualified Bids which the Debtor believes, in its reasonable discretion, is the highest or otherwise best offer (the "**Starting Bid**") to all Qualified Bidders;
- (iv). all Qualified Bidders who have timely submitted Qualified Bids will may be present for all Subsequent Bids (as defined below) at the Auction and the actual identity of each Qualified Bidder will be disclosed on the record at the Auction; provided that all Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person;
- (v). bidding at the Auction will begin with the highest Minimum Overbid received and will continue in bidding increments (each a "**Subsequent Bid**") of at least an additional \$10,000.00 above the prior bid, or in any lower amount the Debtor deems reasonable. After the first round of bidding and between each subsequent round of bidding, Debtor's counsel shall announce the bid (and the value of such bid) that it believes to be the highest or otherwise better offer (the "**Leading Bid**"). A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid knowing the Leading Bid. Except as specifically set forth herein, to evaluate the value of the consideration provided by Subsequent Bids, the Debtor shall give effect to any additional costs which may be imposed on the Debtor, including but not limited to the cost of broker fees and/or commissions.
- (vi). The Debtor shall direct and preside over the Auction. Other than as set forth herein, the Debtor may conduct the Auction in the manner it determines will cause the highest, best or otherwise financially superior offer for the Real Property.

74. **Selection of Successful Bid.** The Debtor will review and evaluate each Qualified Bid under the procedures set forth herein and determine which offer is the highest or best offer from among the Qualified Bidders submitted at Auction (one or more such bids, collectively the “**Successful Bid**” and the bidder(s) making such bid, collectively, the “**Successful Bidder**”), and communicate to the other Qualified Bidders the identity of the Successful Bidder and the details of the Successful Bid.

- (i) The determination of the Successful Bid by the Debtor at the conclusion of the Auction shall be final, but shall remain subject to approval by the Bankruptcy Court.
- (ii) Within one (1) day after adjournment of the Auction, the Successful Bidder shall, to the extent necessary, augment its deposit by wire transfer or other immediately available funds such that its deposit continues to equal ten percent (10%) of the highest and best bid and complete and execute all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which the Successful Bid was made;
- (iii) Within one (1) day after adjournment of the Auction, the Successful Bidder shall file a notice identifying the Successful Bidder with the Bankruptcy Court;
- (iv) A sale of the Real Property to the Successful Bidder will take place consistent with the Plan pursuant to the terms of the Successful Bid after approval of such Successful Bid by the Bankruptcy Court at the Sale Hearing;
- (v) At the conclusion of the Auction, Debtor’s counsel will also announce the second highest and best bid (the “**Back-Up Bidder**”). If the Successful Bidder fails to augment its deposit or consummate the purchase of the Real Property the Back-Up Bidder will be deemed to have submitted the highest and best bid. If the Successful Bidder closes, the Back-Up Bidder’s deposit (plus accrued interest, if any) shall be returned to the Back-Up Bidder. If the Successful Bidder fails to close, the Back-Up Bidder’s deposit shall be treated in the manner described below.
- (vi) **Subject to Court Approval.** The Debtor’s estate will be deemed to have accepted a bid only when the bid has been approved by the Court. If the Successful Bidder or the Back-Up Bidder shall fail to consummate an approved Sale because of a breach or failure to perform by such Successful Bidder (or Back-Up Bidder, as the case may be), the Debtor’s estate shall retain such Successful Bidder’s (or Back-Up Bidder’s, as the case may be) Deposit, in addition to other additional remedies available to the Debtor under applicable law. The Debtor shall credit the Good Faith Deposit of such Successful Bidder or the Back-Up Bidder towards the

purchase price.

75. **Escrow of Bid Deposits.** Within two (2) business days after entry of the Sale Order approving the sale of the Real Property, Deposits shall be returned to all bidders except the Successful Bidder and Back Up Bidder. The deposit of the Successful Bidder shall be applied to the purchase price at closing.

76. **Deposit Forfeit.** The Deposit will be forfeited as liquidated damages and the Successful Bidder, held liable for compensatory damages if the Successful Bidder fails to close by reason of its breach of the Purchase Agreement to be signed by the Successful Bidder, subject to the terms of the Purchase Agreement.

77. **Hearing.** The Bankruptcy Court shall conduct a hearing to confirm to confirm the results of the Auction at a hearing to be held on _____, 2017, at ____ .m., in the Honorable Nancy H. Lord's Courtroom, United States Bankruptcy Court, Conrad B Duberstein Courthouse, 271-C Cadman Plaza East, Brooklyn, NY 11201

78. **Closing.** The closing of the sale must occur within _____ of the Bankruptcy Court order approving the Sale, unless agreed to in writing by the Debtor, or as otherwise provided by Order of the Court, but no later than _____, 2017.

79. **Objection Deadline to the proposed Sale of Real Property.** Any party that wishes to object to the proposed sale of Real Property under the Plan ("**Sale Objection**"), shall be required to file an objection by 12:00 p.m. (prevailing Eastern Time) on _____, 2017 (the "**Sale Objection Deadline**") and serve a copy of the Sale Objection, to be received by the Sale Objection Deadline, upon (i) Backenroth Frankel & Krinsky, LLP, attn. Mark Frankel, 800 Third Avenue, New York, NY 10022 (Email: mfrankel@bfklaw.com) (ii) the Office of the United States Trustee for the Eastern District of

New York; and (iii) all parties filing an entry of appearance and request for notices under Fed. R. Bankr. P. 2002. Objections to the Auction or the selection of the highest bidder or otherwise best bid shall be heard at the Sale Hearing.

The undersigned Bidder acknowledges that such Bidder has read and understands a copy of these Bidding Procedures.

Name of Bidder

Signature of Bidder

Title of Bidder (for Bidder other than individual)

EXHIBIT 1 TO SALE PROCEDURES

Sale contract to be supplied.

EXHIBIT B TO DISCLOSURE STATEMENT
ASSETS AND LIABILITIES

Assets	
Real Property and misc. personal property (\$9,000,000 Property value less \$3,700,00 due to Seller)	\$5,300,000

Liabilities	
Administration Claims	
Secured Claims	-0-
Priority Claims under Sections 507(a)(2),(3),(4),(5),(6), and (7) of the Bankruptcy Code.	0
General Unsecured Claims	\$4,430,000
Interest Holders	\$870,000
Total	\$5,300,000

CHAPTER 7 LIQUIDATION ANALYSIS

Assets	
Real Property and misc. personal property (\$9,000,000 Property value less \$3,700,00 due to Seller)	\$5,300,000

Liabilities	
Administration Claims	\$1,350,000
Secured Claims	-0-
Priority Claims under Sections 507(a)(2),(3),(4),(5),(6), and (7) of the Bankruptcy Code.	0
General Unsecured Claims	\$3,950,000
Interest Holders	-0-
Total	\$9,000,000

Note: All claim amounts subject to objection.