

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF NEW YORK

-----X

In re

Case no.14-14130 ess

Porto Resources LLC

Chapter 11

Debtor

-----X

PORTO RESOURCES, LLC

AMENDED DISCLOSURE STATEMENT.

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I. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the chapter 11 case of Porto Resources ,(the "Debtor"). This Disclosure Statement contains information about the Debtor, the Creditors , The current status of the Supreme court hearings and the the Amended Plan filed by the Debtor .

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

The Debtors Plan is to pay all the creditors their allowed claim. Sunkyung, its owner Benjamin Shavolien and their attorney, Gary Fischoff , stands out among the creditors. The plan is to pay them their full principal of 592,394. plus effective interest of around 4% interest(prime) . The other secured creditor, New York City ECB \$22,000 . will also be paid in full of their allowed claim . All of the attorney fees, penalty fees and default interest fees, by the creditor Sunkyung are hotly contested, and disallowed as unreasonable, for three Striking Reasons,

1- costs were awarded to the debtor by the appellate division. This decision was unanimous among five judges.

2- since this well litigated claim of five plus years, beginning September 2012, in supreme court, with three motions for summery judgment in supreme court and one appeal in the appellate division , has amounted to , no default charges found to the Debtor and

3, the creditor has rejected full payment since the beginning of any litigation,

The plan satisfies the requirements for this USC courts approval as each class of creditors are treated equally. And the secured creditors are paid in full the amounts of their allowed claims.

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 proposed distributions under the Plan are discussed at pages 8-11 of this Disclosure Statement. Secured creditors and equity interest holders are described as class 1 ,General unsecured creditors are classified in Class2, and priority unsecured are described as class 3, and will receive a distribution of of their allowed claims, to be distributed as the charts in Section III C.

A. Purpose of This Document

This Disclosure Statement describes:

The Debtor 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 plan 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 Plan 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 describes 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 describes 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

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on July 19 2017 or as soon thereafter as the Court shall deem appropriate ,at 10:00 am Before the Hon. Judge Elizabeth Stong , in Courtroom number , at the United States Bankruptcy Court, Eastern District of New York 271c 17Cadman Plaza East , Brooklyn, New York , 11201.

Deadline for accepting or Rejecting the Plan

Only after the Disclosure is approved you may be entitled to vote to accept or reject the plan, if so, you will be mailed a ballot with further instructions

Your ballot will be sent within thirty days after these disclosure are approved, or by order of the court .

Deadline For Objecting to the [Adequacy of Disclosure and] Confirmation of the Plan

This Amended disclosure has be amended to response to the objections of the creditor Sunkyung

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact Michael L. Previto 6 Lyndon Lane , South Setauket New York 11720 at 631-379-0837 representative of plan proponent.

C. Disclaimer

The Court has not yet approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court may approve this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Courts 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 July 25th 2017

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is a LLC Corporation with one sole Member, since 2007, the

Debtor has been in the business of Real Estate Development and Management the debtor business is to develop properties in fringe cities that need to be encouraged for further development, specifically Washington Heights, in order to provide affordable housing and while stimulating the neighborhood, thus providing increased value in rents.

B. Insiders of the Debtor

Joseph F Porto sole Member

Management of the Debtor Before and During the Bankruptcy

Jointly between Fidelity Trust Realty and Joseph F Porto

Fidelity Trust Realty, a NY State Licensed Broker is wholly managed and owned Joseph F Porto

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor was Joseph F Porto.

The Managers of the Debtor, during the Debtor's chapter 11 case, have been: Joseph F Porto

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will be: [List Post Confirmation Managers of the Debtor.] The responsibilities and compensation of these Post Confirmation Managers are described page 11 of this Disclosure Statement.

D. Events Leading to Chapter 11 Filing

While the Debtor was fulfilling the Monthly payment obligations, since August 2008, the Debtor had a mortgage balance of \$592,395.00, reduced by the Debtor, from its original amount of \$975,000.00. The mortgage was prematurely, cancelled, by Banco Popular Dominican Republic, here in, BPD Bank. Furthermore, BPD Bank, failed to appropriate the renovation money, breaching its original contractual agreement, an agreement paid for in advance for by the Debtor, with a cost of \$5900.00 by the debtor, in spite of this, and after BPD kept the earnest money points, Bpd failed to provide the \$235,000, renovation money. Then the Secured Creditor, BPD Bank, commenced a foreclosure proceeding index 850123/2012, During the foreclosure, at the behest of the Creditor, Sunkyung, an assignee of BPD Bank, the presiding Justice Rakower, installed a receiver Robert Brill Esq., to collect the rents, manage the company and to commiserate with the creditor, BPD Bank, for "the benefit of the parties". The receiver failed to collect rents, for six months, except one only one single tenant out of four. Specifically, less than \$12,000 in total, furthermore, the Receiver failed to make one single payment to any ongoing concerns, nor taxes, nor any bills, whatsoever, of the Debtors Corporation.

E. Significant Events During the Bankruptcy Case

Debtor was granted the right to collect the rents, from the income producing asset , 560 W 173rd Street , a four family townhouse and operate the company. **The Debtor successfully made 100% collections and was required by stipulation, to turn over all of the proceeds to the receiver, as per Judge Stong's orders. Since Mr. Porto's taking over the receivers collection role , the sum of over \$200,000.00 has been collected and the rent roll is at full capacity.** Upon request if Mr. Porto, The fire department duly inspected and approved the sprinkler.

As a step to improve the Debtors Assets, 517 W 158th Street , a prior to Debtor's ownership, fire damaged townhouse shell, The Debtor successfully sealed, secured and strengthened, the vacant building , to alleviate all concerns, regarding the structure and integrity of the building,.

At the request of the Secured Creditor Sunk Yung, The stay was lifted with respect to the foreclosure proceeding, and a second motion for Summary judgment was presently pending before Justice Rackower, in New York County Supreme Court. Thereafter the secured creditor brought a third motion for summary Judgment which was denied. The denial of three summary judgment motions, cast serious doubt on the validity of the Money owed to the secured creditor Sunk Yung. As such the lien of Sunk Yung may not be valid as to the amount owed or the interest it alleges thereon.

Thereafter the Secured Debtor , Appealed the first denied motion for summary Judgment. Briefs opposing this Appeal were submitted. Counsel for the debtor now proved , this appeal was without merit for a variety of reasons,, one of which is that the appeal is moot since the issues continued therein were superseded by the second order denying the Appeal.

On December 1, 2016 , The unanimous appellate decision was issued , and reaffirmed the Debtors position , The creditor Sunkyung is not entitled to summary judgment.

The Appellate Court unanimously decided, There was indeed a a possibility of New "Structured " loan, that was introduced by Sunkyung's predecessor, BPD BANK by the June 18 , letter, emails and statements. "furthermore, the plaintiffs, remaining augments are unavailing." "WITH COSTS" awarded to the Debtor.

These determinations makes it unreasonable for the creditor to claim any attorney fees.

Prior to this decision Sunkyung introduced a third Motion for summary judgment using the same unavailing evidence. Accordingly , this motion was also denied as was the cross motion to dismiss the complaint and the Court ,by Justice Bluthe, who in her decision abided by the appellate division ruling.

Sunkyung is at risk of adverse consequences.

This decision also leaves the door open for damages in the event this matter is tried and it is found that there was a wrongful foreclosure.

As such the debtor has disallowed the claim of default interest of 25% and has determined that all of the creditors attorney fees are unreasonable, since they have not won any of three summary judgment motions of foreclosure and have not won the appeal either. All of the costs are deemed superfluous and disallowed by the debtor. The creditor had refused full payment of the principal amount since the beginning of the wrongful foreclosure.

Now Sunkyung has introduced a bill , with default interest of 25% , and cumulative. With an Adjusted cumulative rate of 31% interest, The entire purpose of 3 summary judgments, and one appeal by the Creditor, Sunkyung, was to determine if the Debtor was in default. As such the creditor , Sunkyung , who

initiated a wrongful foreclosure, is not entitled to default interest , and is limited to the contract rate of 5.5 %. Maximum or an interest cramdown of prime interest plus the risk factor . all of his carrying expenses for the loan are hereby deemed disallowed. By

In addition Sunkyung is in violation of USBC 1325

The debtor is not looking for a windfall lotto here, merely to pay the principal interest plus interest in line with the Till Approach, to allow a reorganization as follows :

The *Till* Formula Approach

“One of the leading decisions in this area is a Supreme Court case, *Till v. SCS Credit Corp.* In *Till*, the Supreme Court determined – in the context of a chapter 13 case – that the “formula” approach was the most appropriate method to determine the discount (or interest) rate to apply to the cramdown of a secured creditor.

Although it was a chapter 13 case, *Till* has been instrumental in the attempt to harmonize the various approaches chapter 11 debtors take in their present value calculations for secured creditor cramdowns, towards the “formula” approach favored by this case. This is largely due to the close similarity of the cramdown provisions provided for in section 1325(a)(5)(B)(iii) of the Bankruptcy Code, as well as the Supreme Court’s statement in *Till* that Congress likely intended for the same approach to be taken when determining the appropriate interest rate under the various Bankruptcy Code provisions that require a net present value calculation.

In short, the following summarizes the formula approach:

$$\text{Prime Rate} + \text{Risk Factor} = \text{Cramdown Interest Rate}''$$

Borrowed from DAVID GRIFFITHSON *SEPTEMBER 9, 2014*

<https://business-finance-restructuring.weil.com/chapter-11-plans/momentous-decision-in-momentive-performance-materials-cramdown-of-secured-creditors-part-i/>

As such Sunkyungs recent fabricated bill attached herewith, just another monkey wrench to prevent the debtors plan from being approved. Here Sunkyung includes there cost in maintaining loan and cites \$1,521,000.00 in debt as of May 23 2017. yet Sunkyung agrees now the original principal bal is \$592,393.23. As of 9/25/2012 , And this Creditor Sunkyung claims, \$923,000.00 more than the principal and in spite of the fact , Sunkyung was ordered to settle with the debtor . Sunkyung now charges an effective rate of interest of approximately 30%, over 61 months. In spite of the fact this court ordered a settlement conference between the debtor and Sunkyung. Despite the fact , that the creditor never won a default against the debtor. Despite the fact the creditor has refused payments by the debtor. The Debtor is not looking for a windfall lotto , Just to be able to pay the full principal and contract interest.

Conversely , The creditor Sunkyung wants a lotto win, and offers only to take the property ,in settlement talks or the financial equivalent of the samew..

In addition , after three summary judgments , and one appeal . all unable to find the debtor in default , Sunkyoung claims \$164,000.00 in attorney fees. The debtors position is , each party is, to pay their own costs, as reasonable, in light of the facts, not any of the three Summery judgments, resulted in the default penalties nor foreclosure Sunkyoung , and its predecessor had wrongfully pursued. Therefore, the Debtor , maintains Sunkyoung's attorney fees are NOT reasonable , since they haven't won there alleged default in the supreme court nor appellate court , after four such rulings. In fact, the Debtor was awarded costs in the Appeal.

IT'S THE LAW

In Addition, Bankruptcy courts have denied such fees. *In re castellino vilas DC number 2:12-cv-07282(9th cir. 2016).*

SUNKYUNG ORDERED THE RECIEVOR

In addition the Debtor maintains the fee for the receiver, should be paid by the Creditor Sunkyoung as they are the one that requested the receiver, all the while, with the knowledge there are over secured.

RESONABLE INTEREST RATE

Momentive Performance Materials Ruling now sets the bar ,at prime (currently 4%) plus risk, regardless of the creditors costs. Since there is competing banks that are will to lend at this rate. In this case the creditor is secured and there is no risk.

There are no sales or transfers , there are no cash collateral orders.

The professionals Approved by the court include Michael Previto Attorney for the debtor for the Chapter 11 of record, James Mantia as attorney.

State appointed Temporary Receiver, Robert Brill , functions have been limited to stakeholder only.

Sunkyoung has made a claim of 1.1 million, in a recent objection of the disclosures but does not disclose how it is that he came to this amount., therefore it is deemed late, baseless and disallowed. **That further it uses, in violation Of section 1325, unnecessary charges and legal fees which are not awarded in Bankruptcy court unless under severely egregious circumstances.**

F. Pursuable Actions

In the event the plan is rejected by this court, The Debtor intends to pursue an action to against the secured creditor have the Court determine of the extent and validity of loan if an objection to the plan is asserted by said secured creditor.

The Debtor is presently pursuing a judgment, obtained from the landlord in the amount in excess of \$ 30,000,00 against the tenant Malai Phengthanlagsky.

The Debtor may pursue a state action against BPD independently for wrongful foreclosure and may institute a proceeding against Sunk Yung for violation of section

G. Claims Objections

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

H. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are listed in the monthly operating reports and basis of valuation of two properties 4.3 million. This figure is arrived at by the

Joseph Porto Principal of the debtor based upon his knowledge of both buildings and the land.

Operating Reports are available have been duly filed .with this court.

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

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

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. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

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, object 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 placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case 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. B25B (Official Form 25B) (12/08) - Cont.

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

Description	Estimated Amount Owed	Proposed Treatment

Expenses Arising in the Ordinary Course of Business After the Petition Date	None	Paid in full on the effective date of the Plan, according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Date	none	Paid in full on the effective date of the Plan, according to terms of obligation if later
Professional Fees, as approved by the Court.	TBD	Paid in full on the effective date of the Plan, according to separate written agreement, or according to court order if such fees have been approved by the Court on the effective of the Plan
Clerk's Office Fees	1700.00	Paid in full on the effective date of the Plan
Other administrative expenses	TBD	Paid in full on the effective date of the Plan according to separate written agreement
Office of the U.S. Trustee Fees	650	Paid quarterly

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.

Approximately 15000

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

Real estate taxes and water and sewer /quarterly –approximately 15,000.00

C. Classes of Claims and Equity Interests

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

1. Classes of Secured Claims

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

B25B (Official Form 25B) (12/08) - Coot.

The following chart lists all classes containing Debtor's secured pre petition and post petition claims and their proposed treatment under the Plan and liquidation schedule, although the timing of the approval will alter the payments and amounts due.

Class #	Description	Insider? (Yes/No)	Impairment	Treatment
1	<p>Secured claim of Equity Security Holder Joseph F Porto 560 w 173th & 517 w 158th st Allowed Secured Amount = \$ 850,000 Priority of lien = first Principal owed = \$ 850.000 Pre-pet. arrearage = since \$ 140750 From Sent 2008 \$ 990,250.00 Equity due to appreciation and investment 4.3 M value minus 700,000 debt: Net Value \$ 3,600,000.00</p>	yes	Impaired	Payment yes Pmts Begin Upon Sale if any PmtsEnd Upon Sale if any [Balloon pmt] = Interest rate 3.3% = Treatment of Lien = [Additional payment = required to cure Paid in full upon defaults] Sale or Refi if any
1	<p>Secured claim of Sunkyung as Assignee BPD Bank 560 w 173th & 517 w 158th st Allowed Secured Amount = \$592,300 Priority of lien = first Principal owed = \$ 592,300 Pre-petition interest @5.55 or \$2715 per month = \$51,585 (19 F Sep 2012 to March 2014</p>	No	Impaired	MonthlyPmt = 1629 Pmts Begin = Jan 1, 2018 Pmts End Jan 1, 2023 [Balloon pmt] = \$592,395 Interest rate 3.3% = Pre Interest = \$51,585
	<p>Post petition interest F April 2014 until Dec 31, 2017 (45 months)</p>			Post Interest \$73305. Total payment \$ 124,890
	<p>Total allowed claim =</p>			required to cure \$717,284

Class #	Description	Impairment	Treatment
	DEPT OF FINANCE	NO	
1	Department of Finance \$21,580.62	impaired	

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

2 Class 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 Classes through, which contain general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
2	General unsecured	[State whether impaired or unimpaired]	Paid in full of the allowed claim
2	Robert Gummineck	impaired	Claim on the effective date
2	Mitchell Cantor	impaired	\$1500
			\$1500

Class 3 Priority Unsecured

3	DEP Water \$4208.00	unimpaired	Paid in full on the effective date
3	\$7880.00 560 w 173	unimpaired	Department of Finance RE Taxes
3	\$ 3211 517 W 158 NYC	unimpaired	Paid in full on the effective date
			Department of Finance RE Taxes

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 of equity interest holders:

Class #	Description	Impairment	Treatment
1	Equity interest holders Joseph F Porto	impaired	Paid upon sale or refi

D. Means of implementing the Plan

1. Source of Payments

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

Receivers account current at approximately \$125,000.00 estimated to be \$150,000 by May 2016, should be noted that upon plan confirmation, any excess funds should be transferred to back the Debtors operating account.

2. Post-confirmation Management

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

Name	Affiliations	Insider	Position	Compensation
Joseph F Porto	Member	Yes	Manager	waived

E. Risk Factors

The proposed Plan has the following risks: landlord tenant factors. Risk of Successful Foreclosure , Other risks normally involved in the management of Real Estate.

F. Executory Contracts and Unexpired Leases, there are no Executory Contracts , however the debtor maintains the rights to establish such Executory contracts provided they do not interfere with the current leases in effect. Unexpired lease for Four Tenants generating current revenue at 6300 per month realistic amount is 75% \$4500 per month .

The Plan lists all unexpired leases if any that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

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

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

The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a

Lease or Contract Is, the approval of this disclosure or as court deems fit. . Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.]

G. Tax Consequences of Plan

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

The Debtor tax consequences are subject to the actions taken by the court and the consequence of the receiver being relieved such taxes should be no more that approximately \$10,000.

The Creditors shall have minimum tax consequences from this plan and is limited to whatever interest they receive minus their legal and administration fees, if any.

IV. CONFIRMATION REQUIREMENTS 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 not 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.

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 all classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. With the exception of the City of New York' agencies The Plan

Proponent believes that the classes, of the city of New York' agencies are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan. And are deemed to accept 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 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was designated as March 31st 2016. .

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

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

3. Who is Not Entitled to Vote

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

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

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

- holders of claims or equity interests in unimpaired classes;

B2SB (Official Form 25B) (12/08) - Cont.

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

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

- Persons claiming administrative expenses.

Even / 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).

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.

Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and

(2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cram down" on non-accepting classes, as discussed later in Section [B.2.].

Votes Necessary for a Class to Accept the Plan

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

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

B.2. Treatment of Nonaccepting 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.

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

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 built in the chart above., classes of secured claims page 8.

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 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 shown in the chart above. Classes of secured claims page 8.

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 projects financial projections, gross or 54,000 to 75,000 per annum and interest payments of 20,000 per annum and expenses of 10,000 to 30,000 per annum.

The Plan Proponent's financial projections show that the Debtor will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, of \$5,000 to 20,000 per year.

Plan payment is expected to begin on confirmation and paid in full within two to five years of the plan approval.

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

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR The Debtor is a corporation and § 1141(d)(3) is not applicable

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141 (d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141 (d) (6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141 (d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

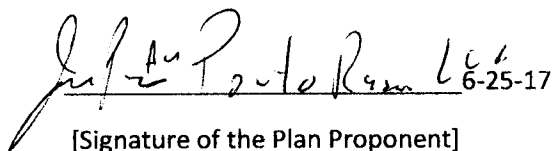
B. Modification of Plan

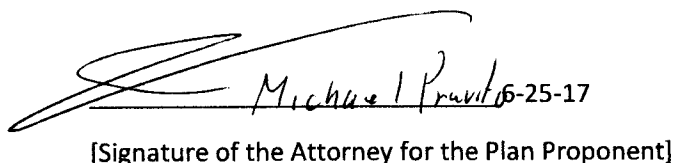
The Plan Proponent may modify the Plan at any time before confirmation of the Plan.

However, the Court may require a new disclosure statement and/or revoting on the Plan.

C. Final Decree

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

 6-25-17
[Signature of the Plan Proponent]

 6-25-17
[Signature of the Attorney for the Plan Proponent]