

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT.

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

-----x

In re

Chapter 11

488-486 Lefferts LLC,

Case no. 1-15-42716

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.]

Edward N. Gewirtz
BRONSTEIN, GEWIRTZ & GROSSMAN, LLC
60 East 42nd Street, Suite 4600
New York, NY 10165
(212) 697-6484

ATTORNEYS FOR THE DEBTOR

INTRODUCTION

1. The Debtor submits this Disclosure Statement ("Disclosure Statement") in connection with 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, in addition to reviewing this Disclosure Statement. All capitalized terms used but not defined herein shall have the meaning set forth 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 in an effort to explain the terms and implications of the Plan. Every effort has been made to fully explain the various aspects of the Plan as it affects all Creditors. To the extent a Creditor has any questions, the Debtor urges you to contact its counsel and every effort will be made to assist you. THE DEBTOR URGES YOU TO VOTE IN FAVOR OF THE PLAN. THE DEBTOR'S GOAL IS FOR ALL CREDITOR CLASSES TO ACCEPT THE PLAN. IF ALL CREDITOR CLASSES DO NOT ACCEPT THE PLAN, THE DEBTOR INTENDS TO SEEK CRAMDOWN OF THE PLAN UNDER SECTION 1129(b) OF THE BANKRUPTCY CODE AS MAY BE NECESSARY TO EFFECT CONFIRMATION OF THE PLAN.

3. [The Honorable Elizabeth S. Stong, 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 whose votes are being solicited to make an informed judgment whether to accept or reject the Plan.]

4. Creditors should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement.

5. 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. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR.

6. 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.

7. After reviewing this Disclosure Statement indicate your vote to accept or to reject the Plan on the enclosed ballot, and return the ballot to counsel for the Debtor so as to be received on or before xxxr xx, 2016.

8. The Bankruptcy Court has entered an Order fixing xxxx x, 2016, at x:00 p.m., at the United States Bankruptcy Court, 271 Cadman Plaza East, Brooklyn, New York 11201, as the date, time and place for the hearing on confirmation of the Plan, and fixing xxxx x, 2016, at x:00 as the last date for the filing of any objections to confirmation of the Plan.

BACKGROUND

9. The Debtor filed its voluntary petition for relief under chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§101 *et seq.* (the "Bankruptcy Code") on June 9, 2015(the "Petition Date").

10. The Debtor continues to manage its property as a debtor and debtor-in-possession. No trustee or examiner has been appointed in this case. Also, no official committee of unsecured creditors has been appointed.

11. The Debtor's assets consist of two adjacent parcels of undeveloped land located at 488-486 Lefferts Avenue, Brooklyn, NY (the "Property").

12. The Debtor purchased the Property in 2008. As a result of the financial crisis, the Debtor was unable to develop the Property and, as a result, the Debtor was unable to pay its lender Madison Park Investors, LLC (the "Bank") which claimed to hold a mortgage (the "Mortgage") against the Property. In 2009 the Bank sued on the loan note in New York State Supreme Court, Richmond County and obtained a money judgment in the amount of \$835,640. In 2013, the Bank, based on the Richmond County Judgment and the Mortgage, sought to foreclose on the property in New York State Supreme Court, Kings County (the "Foreclosure Action"). Thereafter, the Mortgage and the Foreclosure Action were assigned to Vintage Equities Corp.

13. According to the Bank, as of February 24, 2015 the Debtor was indebted to the Bank in the amount of \$1,095,185.36 plus \$206.048 in per diem interest thereafter, costs and attorney's fees. The Debtor believes that amount is significantly less based on a separate agreement between the Debtor and Bank known as an "Iska Agreement" which states that it supersedes the loan documents.

14. However, Fay Capital Corp. ("Fay"), an entity which is controlled by the same principal as is Vintage Equities Corp., which purchased the loan from the Bank, alleges that the Debtor entered into a contract for the Sale for the Property to it in the amount of \$1,375,000.00 for which Fay Capital Corp. filed a notice of pendency. The Debtor believes that

the Contract is invalid for a number of reasons, including that the contract was not duly authorized by a majority in equity interest of the members, and because the contract was impossible for Debtor to perform due to other lawsuits, and Debtor returned the deposit check, which Fay has refused to accept.

15. The notice of pendency filed by Fay was a strategic maneuver for the benefit of Vintage. The notice paralyzed the Debtor – preventing it from selling the Property and insuring that the Debtor would not be capable of avoiding the foreclosure of the Property by Vintage.

16. The Debtor believes that the breathing spell provided by the filing of this case, will provide the Debtor the opportunity to market and sell the Property and reorganize. The Debtor intends to retain Ariel Property Advisors, LLC (“Ariel”) to market the property and based on the broker’s analysis the property will sell for a minimum of \$2.4 million and based upon an analyses of the Debtor’s schedules and it claims docket there are no more than \$1,796,412 of claims against the Debtor, and as will be discussed the Debtor believes such claims are significantly less . Thus, the instant filing has prevented the fire sale and preserved the value of the Debtor’s estate for the benefit of its creditors and equity holders.

SUMMARY OF EVENTS DURING THE CHAPTER 11 CASE

Employment of the Debtor’s Professionals:

17. On September 4, 2015, the Debtors filed applications to retain BRONSTEIN, GEWIRTZ & GROSSMAN, LLC as its bankruptcy counsel. By order of the

Bankruptcy Court dated September 25, 2015, the Bankruptcy Court approved the retention of BRONSTEIN, GEWIRTZ & GROSSMAN, LLC nunc pro tunc to the Petition Date.

Filing of Schedules of Assets and Liabilities and Statement of Financial Affairs

18. On July 24, 2015, the Debtors filed its Schedules of Assets and Liabilities, together with its Statement of Financial Affairs (collectively, the “Schedules”). The Debtors’ Schedules and any amendments thereto are available on the Bankruptcy Court’s website: www.nyeb.uscourts.gov.

Establishment of a Claims Bar Date and Claims Process

19. On August 5, 2015, the Court entered an Order which established May 15, 2015 as the last date by which creditors could file proofs of claim against the Debtors in their Chapter 11 Cases, except as otherwise provided in the Bar Date Order (“Bar Date Order”). The Notice of Deadline to File Claims was served upon all the Debtors creditors and all parties required in the Bar Date Order on November 1, 2015 and for government units December 7, 2015.

Adversary Proceeding

20. Fay alleges that on or about February 28, 2014, it entered into a binding contract with the LLC to purchase 486-488 Lefferts for \$1,375,000 (the “Contract”).

21. However the Contract was never valid, it was never duly authorized by the LLC, and in any event even if it were valid the Contract already terminated by its own terms.

22. On January 9, 2015 Fay filed a state court action against the LLC for specific performance of the Contract and/or money damages (the “Fay State Court Case”), and filed a Notice of Pendency against the Land, and the LLC filed counterclaims therein.

23. On July 16, 2015 Fay removed the Fay State Court Case to this Bankruptcy Court as Adversary Proceeding 15-1093 (ESS)(the “Adversary Proceeding”).

24. Fay filed claim Number 6 on the Claims Register in the amount of \$475,000.

25. The Debtor strenuously disputes Fay’s claim.

26. The Debtor is confident that Fay will not be able to meet the high burden to prevail in the Adversary Proceeding. However, as discussed herein, the proceeds from the Sale of the property will be sufficient to pay Fay’s disputed claim if it becomes allowed, which the Debtor believes it will not.

Vintage’s Claim

27. The Loan, Judgment and Foreclosure were assigned to Vintage Equities Corp. (“Vintage”) on or about June 14, 2014 and Vintage continued the Foreclosure proceedings against the LLC.

28. Vintage filed Claim Number 7 on the Claims Register in the amount of \$1,156,422.36 and alleges that it is entitled to post judgment interest on the Judgment.

29. The debtor disputes the amount of Vintage’s claim.

30. However, as discussed herein, the proceeds from the Sale of the property will be sufficient to pay Vintage's disputed claim if it becomes allowed, which the Debtor believes it will be allowed in part, though not in full.

Sale of Property /Equity Cushion

31. Subject to Court approval, the Debtor is retaining Ariel to market the Property and believes that the proceeds from the sale shall be approximately \$2.4 Million. The Chart below includes all of the claims on the Debtor's creditor's claim docket and the scheduled claims that were not required to file a proof of claim.

Assets (Estimate)	
Real Property and misc. personal property	\$2,400,000
Liabilities/ Claims Docket (Less Expunged Claim(s)).	
Madison Park Investors, LLC (assigned to Vintage)	\$1,156,422.36
Chapter 11 Administration Claims ¹ (Estimate)	\$100,000
Priority Claims under Sections 507(a)(2),(3),(4),(5),(6),(7) and (8) of the Bankruptcy Code.	\$59,083.33
General Unsecured Claims	\$537,329.00
Equity Cushion	\$547,165.31

¹ Chapter 11 Fees do not include the broker for Ariel, the proposed broker for the Property.

32. Importantly, the Debtor believes that this equity cushion will be further increased by the disallowance of Fay's claim in the amount of \$475,000.00 and a reduction in governmental claims of approximately \$150,000.00 –resulting in an even more significant equity cushion.

DEBTOR'S PLAN OF REORGANIZATION

CLASSIFICATION AND TREATMENT OF CLAIMS

Class 1

33. **Classification** – Real estate tax and other in rem governmental Lien Claims.

Claims total approximately \$-0-

34. **Treatment** -- Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

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

Class 2

36. **Classification** – Madison Park Investors, LLC (assigned to Vintage)

Secured Claims total approximately \$1,156,422.36 .

37. **Treatment** -- Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

38. **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan.

Class 3

39. **Classification** – Priority Claims under Sections 507(a)(2),(3),(4),(5),(6),(7) and (8) of the Bankruptcy Code. Claims total approximately \$\$59,083.33.

40. **Treatment** – Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

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

Class 4

42. **Classification** – General Unsecured Claims. Claims total approximately \$537,329.00

43. **Treatment** – Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the Legal Rate from the later of the Petition Date, to the extent required by the applicable law, through the payment date.

44. **Voting** – Unimpaired and not entitled to vote to accept or reject the Plan.

Class 5

45. **Classification** – Equity Interests/ Insider Claims.
46. **Treatment** – Continued ownership of residual assets after all Allowed Claims are paid in full.
47. **Voting** – Unimpaired and not entitled to vote to accept or reject the Plan.

ADMINISTRATIVE EXPENSES

48. 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 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. The Debtor does not anticipate that there will be any unpaid Administrative Expenses as of the Effective Date.

49. All outstanding United States Trustee fees shall be paid as they come due.

MEANS FOR IMPLEMENTATION

50. **Source of Funds** – Effective Date payments under the Plan will be paid from the proceeds from the sale of the Property. The Debtor estimates that Effective Date payments will be from the sale of the Property.

51. **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.

52. **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.

53. **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. Source of Funds -- Effective Date payments under the Plan will be paid from the proceeds of the sale of the Property ("Proceeds). The Debtor estimates that Effective Date payments will be sufficient to cover all allowed claims.

Liquidation Analyses

54. 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 at least an equivalent return for the Debtor's estate as could be achieved in a liquidation. 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 10% of the sale proceeds.

LITIGATION ANALYSIS

55. The Debtor is facing the Adversary Proceeding with Fay. However, as demonstrated the litigation will have no effect on the treatment of the Creditors.

PAYMENT OF CLAIMS AND OBJECTIONS TO CLAIMS

56. The Debtor shall be disbursing agent under the Plan. The Debtor has not completed its claims review and reserves its right to file objections to claims in the event grounds exist to object to particular claims. The Debtor may file objections to Claims for a period of 60 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 or such amount required by the Court 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

57. All unexpired leases and executory contracts not assumed prior to the Confirmation Date shall be deemed rejected under the Plan. In the event of a rejection of any Executory Contract which results in damage to the other party or parties to the Executory Contract, 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. Each Allowed Claims arising from the rejection of any Executory Contract shall be treated as an Unsecured Claim. Any Claim arising from the rejection of any Executory Contract not filed with the Court within the time period provided in the preceding paragraph above shall be deemed discharged and shall not be entitled to participate in any distribution under the Plan.

MANAGEMENT OF THE DEBTOR

58. The Debtor is managed by Nir Zeer, Shlomo Zeer and David Marom as Managing Members. They receive no compensation. Post-confirmation management shall be by Nir Zeer, Shlomo Zeer and David Marom as Managing Members.

TAX CONSEQUENCES

59. The Debtor does not believe that 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. To the extent that a creditor has taken a bad debt deduction, Plan distributions may be taxable as income.

60. 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

61. A ballot to be used for voting to accept or reject the Plan is enclosed with this Disclosure Statement. Each creditor is entitled to execute the ballot, and return it to the undersigned to be considered for voting purposes. The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received no later than xxx x, 2016, at the following address:

Attorneys for Debtors and Debtors-in-Possession
BRONSTEIN, GEWIRTZ & GROSSMAN, LLC
Attention: Edward N. Gewirtz
60 East 42nd Street, Suite 4600
New York, New York 10165
Tel. No.: (212) 697-6484
Fax. No.: (212) 697-7296

62. Each Creditor of the Debtor whose Claim is impaired under the Plan is entitled to vote, if either (i) its Claim has been scheduled by the Debtor, or (ii) it has filed a Proof of Claim on or before the last date set by the Bankruptcy Court for such filings.

63. Any Claim as to which an objection or has been filed or has been schedule by the Debtor as Disputed Unliquidated, or Contingent (and such objection is still pending) is not entitled to vote, unless the Bankruptcy Court temporarily allows the Claim in an amount which it deems proper for the purpose of accepting or rejecting the Plan upon motion by a Creditor whose Claim is subject to an objection. Such motion must be heard and determined by the Bankruptcy Court prior to the date established by the Court to confirm the Plan.

64. A Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

65. The Bankruptcy Code defines acceptance of a Plan by a class of Creditors as acceptance by holders of two-thirds in dollar amount and a majority in number of the Claims of that class which actually cast ballots for acceptance or rejection of the Plan.

66. The Bankruptcy Code defines acceptance of a Plan by a class of Interests as acceptance by holders of two-thirds in amount of the allowed Interests of such class held by holders of such interests.

CONFIRMATION OF THE PLAN

67. 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.

68. By order of the Bankruptcy Court dated xxxx __, 2016 the Confirmation Hearing has been scheduled for xxx x, 2016, at x:00 x.m., in the Honorable ELIZABETH S. STONG's Courtroom, United States Bankruptcy Court, 271 Cadman Plaza East, Brooklyn, New York 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 on or before exxxx x , 2016. Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

69. 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 for 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.

70. 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 contained in the Plan are made in good faith.

71. The Debtor contends that holders of all Claims impaired under the Plan will receive payments under the Plan having a present value as of the Effective Date in amounts not less than the amounts likely to be received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. Importantly, the Debtor believes that under the plan the all creditors will be 100% of their claims.

CRAMDOWN

72. In the event that any impaired class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtor if, as to each impaired class which has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable."

73. As the Plan proposes to pay all creditors 100% of their allowed claims and, as such, the debtor does not intend to invoke the cramdown provisions of section 1129(b) as to any impaired class that does not accept the Plan.

74. A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives less than it is legally entitled to receive for its Claims or equity interests. "Fair and equitable" has different meanings for Secured and Unsecured Claims.

75. With respect to a Secured Claim, "fair and equitable" means either: (a) the impaired Secured Creditor retains its Liens to the extent of its Allowed Claim and receives deferred cash payments at least equal to the allowed amount of its Claim with a present value as of the Effective Date at least equal to the value of such Creditor's interest in the property securing its Liens; (b) property subject to the Lien of the impaired Secured Creditor is sold free and clear of that Lien, with that Lien attaching to the proceeds of the sale; or (c) the impaired Secured Creditor realizes the "indubitable equivalent" of its Claim under the Plan.

76. With respect to an Unsecured Claim, "fair and equitable" means either: (a) each impaired Unsecured Creditor receives or retains property of a value equal to the amount of its Allowed Claim; or (b) the holders of Claims and Interests that are junior to the Claims of the dissenting class will not receive any property under the Plan.

77. In the event one or more classes of impaired Claims rejects the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Claims.

CONCLUSION

78. The Debtor urges the Debtor's Creditors to vote to accept the Plan and to evidence such acceptance by returning their ballots so that they will be received no later than xxxx, 2016.

Dated: New York, New York
July 6, 2016

488-486 Lefferts LLC
Debtor and Debtor in Possession

By: s/ Nir Zeer, Shlomo Zeer and David Marom
as Managing Members

Attorneys for Debtors and Debtors-in-Possession
BRONSTEIN, GEWIRTZ & GROSSMAN, LLC
By: /s/ Edward N. Gewirtz
Edward N. Gewirtz [EG6801]
60 East 42nd Street, Suite 4600
New York, New York 10165
Tel. No.: (212) 697-6484
Fax. No.: (212) 697-7296

EXHIBIT A.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----x
In re

Chapter 11

488-486 Lefferts LLC

Case no. 1-15-42716

Debtor.
-----x

PLAN OF REORGANIZATION

Edward N. Gewirtz [EG6801]
BRONSTEIN, GEWIRTZ & GROSSMAN, LLC
*Proposed Attorneys for the Debtor
and Debtor in Possession.*
60 East 42nd Street, Suite 4600
New York, NY 10165
(212) 697-6484

ATTORNEYS FOR THE PROPONENT

INTRODUCTION

488-486 Lefferts LLC ("Proponent" or "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).

Article 1

DEFINITIONS

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

1.1 "Administrative Expense" 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.

1.2 "Administrative Expense Claim" shall mean claim for payment of an Administrative Expense.

1.3 "Allowance Date" shall mean the date which a Disputed Claim becomes an Allowed Claim by Final Order.

1.4 "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 Proponent's schedules or any amendments thereto but which is not listed therein as disputed, unliquidated or contingent.

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

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

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

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

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

1.10 "Bar Date" shall mean October 1, 2015. The governmental bar date is December 7, 2015.

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

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

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

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

1.15 "Confirmation Hearing" shall mean the hearing pursuant to the Bankruptcy Code Section 1128 before the Bankruptcy Court regarding the proposed confirmation of the Plan.

1.16 "Confirmation Order" shall mean the order of the Court confirming the Plan.

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

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

1.19 "Debtor" shall mean 488-486 Lefferts LLC.

1.20 "Disputed Claim" shall mean the whole or any portion of any claim against a Proponent 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.

1.21 "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.

1.22 "Estate" shall mean the estate of the Proponent created upon the commencement of the Bankruptcy Case pursuant to Section 541 of the Bankruptcy Code.

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

1.24 "Fay" shall mean Fay Capital Corp. which filed a proof of claim in the amount of \$475,000.00.

1.25 "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.

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

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

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

1.29 "Lien" shall mean a charge against or interest in property to secure payment of a debt or performance of an obligation.

1.30 "Mortgagee" shall mean Madison Park Investors, LLC (assigned to Vintage).

1.31 "Petition Date" shall mean June 10, 2015.

1.32 "Plan" shall mean this Plan of Reorganization, and any and all modifications and/or amendments hereto.

1.33 "Property" shall mean two adjacent parcels of undeveloped land located at 488-486 Lefferts Avenue, Brooklyn, NY.

1.34 "Proponent" shall mean 488-486 Lefferts LLC.

1.35 "Proceeds" shall mean the proceeds of the sale of the Property

1.36 "Secured Claim" shall mean a Claim secured by a Lien on property included within the Debtor's Estate.

1.37 "Secured Creditor" shall mean the owner or holder of a Secured Claim.

1.38 "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.

1.39 "Unsecured Creditor" shall mean the owner or holder of an Unsecured Claim.

79. "Vintage" shall mean the Vintage Equities Corp. the holder of Secured Claim.

Article 2

CLAIMS CLASSIFICATION AND TREATMENT

Class 1

2.1 **Classification** – Real estate tax and other in rem governmental Lien Claims.

2.2 **Treatment** – Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment..

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

Class 2

2.4 **Classification** – Madison Park Investors, LLC (assigned to Vintage)

2.5 **Treatment** -- Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

2.6 **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan.

Class 3

2.7 **Classification** – Priority Claims under Sections 507(a)(2),(3),(4),(5),(6),(7) and (8) of the Bankruptcy Code.

2.8 **Treatment** – Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

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

Class 4

2.10 **Classification** -- General Unsecured Claims

2.11 **Treatment** -- Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at the Legal Rate from the later of the Petition Date, to the extent required by the applicable law, through the payment date.

2.12 **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan.

Class 5

2.13 **Classification** -- Equity Interests/ Insider Claims

2.14 **Treatment** -- Continued ownership of residual assets after all Allowed Claims are paid in full.

2.15 **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan.

Article 3

ADMINISTRATION CLAIMS AND UNITED STATES TRUSTEE FEES

3.1 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 Proponent shall be Paid in full or performed by the Proponent in the ordinary course of business or pursuant to the terms and conditions of the particular transaction. The United States quarterly fees and any applicable interest thereon shall be paid and operating reports shall be filed by the Debtor until the earlier of the conversion of this case to a case under Chapter 7, the dismissal of this case or the closing of this case by means of a final decree.

Article 4

MEANS FOR IMPLEMENTATION

4.1 **Source of Funds** -- Effective Date payments under the Plan will be paid from the proceeds of the sale of the Property ("Proceeds"). The Debtor estimates that Effective Date payments will be sufficient to cover all allowed claims.

4.2 **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 of the Property by the Purchaser 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.

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

4.4 **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.

4.5 **Vesting of Assets** -- 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.

4.6 **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. Source of Funds -- Effective Date payments under the Plan will be paid from the proceeds of the sale of the Property ("Proceeds). The Debtor estimates that Effective Date payments will be sufficient to cover all allowed claims.

4.7 **Proceeds** -- The Debtor will maintain the Proceeds that are not distributed in its Debtor in Possession bank account.

PRESERVATION OF CLAIMS

4.8 All rights pursuant to Sections 502, 544, 545 and 546 of the Bankruptcy Code, all preference claims pursuant to Section 547 of the Bankruptcy Code, all fraudulent transfer claim pursuant to Section 548 of the Bankruptcy Code, and all claims relating to post-petition transactions under Section 549 of the Bankruptcy Code shall be preserved for the benefit of the Debtor's estate, provided, however, that the Proponent shall have sole authority for prosecuting any such claims.

Article 5

DISTRIBUTIONS TO CREDITORS

5.1 The Proponent shall be disbursing agent under the Plan without a bond. The Proponent reserves its right to file objections to claims in the event grounds exist to object to particular claims, for a period of 30 days after the Effective Date. On the initial distribution date and on each distribution date as may thereafter be necessary, the Proponent 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 or such amount required by the Court. 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. Funds held in reserve will be held in a bank which is an authorized depository institution in the Eastern District of New York.

Article 6

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 All unexpired leases and executory contracts not assumed prior to the Confirmation Date shall be deemed rejected under the Plan. In the event of a rejection of any Executory Contract which results in damage to the other party or parties to the Executory Contract, 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. Each Allowed Claims arising from the rejection of any Executory Contract shall be treated as an Unsecured Claim. Any Claim arising from the rejection of any Executory Contract not filed with the Court within the time period provided in the preceding paragraph above shall be deemed discharged and shall not be entitled to participate in any distribution under the Plan.

Article 7

RETENTION OF JURISDICTION

7.1 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:

7.2 To consider any modification of the Plan under section 1127 of the Bankruptcy Code;

7.3 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;

7.4 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 pursuant to the provisions of the Bankruptcy Code;

7.5 To hear and determine all requests for compensation and/or reimbursement of expenses which may be made;

7.6 To value assets of the Estate.

7.7 To enforce the Confirmation Order, the final decree, and all injunctions therein;

7.8 To enter an order concluding and terminating the Bankruptcy Case;

7.9 To correct any defect, cure any omission, or reconcile any inconsistency in the Plan, or the Confirmation Order;

7.10 To determine all questions and disputes regarding title to the assets of the Debtor.

7.11 To re-examine Claims which may have been allowed for purposes of voting, and to determine objections which may be filed to any Claims.

Article 8

GENERAL PROVISIONS

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

8.2 Disputed Claims. The Proponent shall hold in escrow the distribution that would be due on account of any Disputed Claim. No Disputed Claims shall be paid, nor shall distributions be made to a creditor holding a Disputed Claim, until such Claim becomes an Allowed Claim.

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

8.4 Other Actions. Nothing contained herein shall prevent the Proponent, 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.

8.5 Modification of Plan. The Proponent may seek amendments or modifications to the Plan in accordance with section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date, the Proponent 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. To the extent there are post-confirmation material modifications to the Plan, such modifications shall be subject to notice and hearing before the Bankruptcy Court.

Article 9

INJUNCTION AND PROPERTY OF THE ESTATE

9.1 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.

Article 10

CLOSING THE CASE

10.1 The Debtor may move for a final decree to close the Bankruptcy Case within fourteen days following full administration of the estate.

Dated: New York, New York
July 6, 2016

488-486 Lefferts LLC

Plan Proponent

By: s/ Nir Zeer, Shlomo Zeer and David Marom as
Managing Members

Attorneys for Debtors and Debtors-in-Possession
BRONSTEIN, GEWIRTZ & GROSSMAN, LLC
By: /s/ Edward N. Gewirtz
Edward N. Gewirtz [EG6801]
60 East 42nd Street, Suite 4600
New York, New York 10165
Tel. No.: (212) 697-6484
Fax. No.: (212) 697-7296

EXHIBIT B**ASSETS AND LIABILITIES (Reorganization)****(All claims paid in full plus applicable interest)**

Assets	
Real Property	\$2,400,000
Liabilities	
Real estate tax and other in rem governmental Lien Claims.	\$-0-
Madison Park Investors, LLC (assigned to Vintage)	\$1,156,422.36
Chapter 11 Administration Claims ²	\$100,000
Priority Claims under Sections 507(a)(2),(3),(4),(5),(6),(7) and (8) of the Bankruptcy Code.	\$59,083.33
General Unsecured Claims	\$537,329.00
Total Equity Cushion	\$547,165.31
Note: All claims amounts are subject to objection.	
All amounts are estimations	

² Chapter 11 Fees do not include the broker for Ariel, the proposed broker for the Property.

CHAPTER 7 LIQUIDATION ANALYSIS**(All claims paid in full plus applicable interest)**

Assets	
Real Property	\$2,400,000

Liabilities	
Chapter 7 Liquidation Expenses	\$240,000
Real estate tax and other in rem governmental Lien Claims.	\$-0-
Madison Park Investors, LLC (assigned to Vintage)	\$1,156,422.36
Chapter 11 Administration Claims	\$100,0000
Priority Claims under Sections 507(a)(2),(3),(4),(5),(6),(7) and (8) of the Bankruptcy Code.	\$59,083.33
General Unsecured Claims	\$537,329.00
Total Equity Cushion	\$307,165.31
Note: All claims amounts are subject to objection.	
All amounts are estimations	