

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re

Chapter 11

488-486 Lefferts LLC

Case no. 1-15-42716

Debtor.  
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**SECOND PLAN OF REORGANIZATION**

Edward N. Gewirtz [EG6801]  
BRONSTEIN, GEWIRTZ & GROSSMAN, LLC  
*Proposed Attorneys for the Debtor  
and Debtor in Possession.*  
60 East 42<sup>nd</sup> 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 "9019 Order" –Order authorizing and approving the settlement (the "9109 Settlement") of Claim Number 7 of Vintage Equities Corp. ("Vintage"), and of Claim Number 6 of Fay Capital Corp.

1.2 "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.

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

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

1.5 "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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.21 "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.

1.22 "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.

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

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

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

1.26 "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.

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

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

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

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

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

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

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

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

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

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

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

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

1.39 "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.

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

74. "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 and purchased tax liens.

2.2 **Treatment** – Payment in full in Cash of Allowed Amount within 30 days of the Effective Date, plus interest at statutory rate as it accrues from the Petition Date through the date of payment unless such Creditor agrees to a less favorable treatment of such Allowed Claim.

2.3 **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan and deemed to have accepted the Plan.

**Class 2**

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

2.5 **Treatment** -- Payment pursuant to the 9019 Order in Cash of Allowed Amount upon the closing of the sale of the Property.

2.6 **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan and deemed to have accepted 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 statutory rate as it accrues from the Petition Date through the date of payment unless such Creditor agrees to a less favorable treatment of such Allowed Claim.

2.9 **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan 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 unless such Creditor agrees to a less favorable treatment of such Allowed Claim.

2.12 **Voting** -- Unimpaired and not entitled to vote to accept or reject the Plan and deemed to have accepted 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 and deemed to have accepted 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**

**SALE OF PROPERTY**

4.1 **Sales** – Pursuant to the Plan and as condition precedent to the Effective Date, the Debtor shall sell the Property for not less than \$2,100,000<sup>2</sup> from the sale of the Property (“Property Sale”).

4.2 **Sales Contract** – The Debtor and Purchaser shall execute a sales contract (the “Sale Contract”) for sales of the Property pursuant to 11 USC § 363.

4.3 **Court Approval** – The Debtor shall seek approval from the Court for the Sales Contract.

**Article 5**

**CONDITIONS TO PLAN EFFECTIVENESS**

5.1 **Condition Precedent** - Notwithstanding anything herein to the contrary, this Plan may not be consummated, and the Effective Date shall not occur, unless and until each of the following conditions shall have been either satisfied or waived: (i) The Court has entered the Confirmation Order; (ii) No stay of the Confirmation Order is in effect; (iii) and the Debtor has received \$2,100,000.00<sup>3</sup> from the Purchaser for the Property.

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<sup>2</sup> Included in the \$2,100,000 are (i) liens that are released pursuant to the sale and (ii) payment of any brokerage fees.

<sup>3</sup> Included in the \$2,100,000 are (i) liens that are released pursuant to the sale and (ii) payment of any brokerage fees.

5.2 **Waiver of Conditions** - The Debtor may waive the Conditions Precedent regarding the amount received from the purchases provided that the proceeds of sale of the Property is sufficient for all creditors receive 100% of their claim (including the applicable interest) or an amount accepted by the creditor.

## **Article 6**

### **MEANS FOR IMPLEMENTATION**

6.1 **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.

6.2 **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.

6.3 **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.

6.4 **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.

6.5 **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.

6.6 **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.**

6.7 **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.

6.8 **Proceeds** -- The Debtor will maintain the Proceeds that are not distributed in its attorney Edward N. Gewirtz's IOLA escrow account at Bank of America.

6.9 **PRESERVATION OF CLAIMS**-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 7**

**DISTRIBUTIONS TO CREDITORS**

7.1 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 8**

**EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

8.1 All unexpired leases and executory contracts not assumed prior to the Confirmation Date shall be deemed rejected under the Plan. Debtor is unaware of any such executory contracts. 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 9**

### **RETENTION OF JURISDICTION**

9.1 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:

- (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 pursuant to the provisions of 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;

(i) To determine all questions and disputes regarding title to the assets of the Debtor.

(j) 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 10**

### **GENERAL PROVISIONS**

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



10.2 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.

10.3 Disputed Claims Reserve. 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.

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

10.5 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.

10.6 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 11**

**INJUNCTION AND PROPERTY OF THE ESTATE**

11.1 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 12**

**CLOSING THE CASE**

12.1 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 30, 2017

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)**

<b>Assets (Estimate)</b>	
Real Property and misc. personal property	\$2,100,000
Less Closing Costs/ Ariel Brokerage	\$84,000.00
<b>Scheduled/ Filed Claims - Less Expunged /Waived Claims (Approximate).</b>	
Madison Park Investors, LLC (assigned to Vintage)	\$1,399,804.38 (less \$334.41/day for early closing between November 10, 2017 and May 10, 2018)
Chapter 11 Administration Claims <sup>4</sup> (Estimate)	\$100,000
Priority Claims under Sections 507(a)(2),(3),(4),(5),(6),(7) and (8) of the Bankruptcy Code.	\$72,682.65
General Unsecured Claims	\$21,023.75.
<b>NYS Tax Lien Purchased by</b> NYCTL 1998-2/MTAG	\$16,188.67
<b>Equity Cushion</b>	<b>\$406, 300.55</b>

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<sup>4</sup> Chapter 11 Fees do not include the brokerage fees for Ariel, the broker for the Property.

Note: All claims amounts are subject to objection.
All amounts are estimations

**CHAPTER 7 LIQUIDATION ANALYSIS**

**(All claims paid in full plus applicable interest)**

<b>Assets</b>	
Real Property	\$2,100,000
Brokerage commission	\$84,000

<b>Liabilities</b>	
Chapter 7 Liquidation Expenses	\$240,000
Real estate tax and other in rem governmental Lien Claims and purchased tax liens.	\$16,188.67
Madison Park Investors, LLC (assigned to Vintage)	\$1,399,804.38 (less \$334.41/day for early closing between November 10, 2017 and May 10, 2018)
Chapter 11 Administration Claims (estimate)	\$150,0000
Priority Claims under Sections 507(a)(2),(3),(4),(5),(6),(7) and (8) of the Bankruptcy Code.	\$72,682.65
General Unsecured Claims	\$21,023.75
Total Equity Cushion	\$116,300.55
Note: All claims amounts are subject to objection.	
All amounts are estimations	