

LaMonica Herbst & Maniscalco, LLP

3305 Jerusalem Avenue
Wantagh, New York 11793
(516) 826-6500
Salvatore LaMonica, Esq.
Jordan Pilevsky, Esq.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re:

KESWICK REAL ESTATE LLC,

Chapter 11
Case No. 16-72262 (LAS)

Debtor.

-----X

**CHAPTER 11 DEBTOR'S
FIRST AMENDED DISCLOSURE STATEMENT**

LAMONICA HERBST & MANISCALCO, LLP

Attorneys for Keswick Real Estate LLC
Chapter 11 Debtor

By: Salvatore LaMonica, Esq.
Jordan Pilevsky, Esq.

3305 Jerusalem Avenue, Suite 201
Wantagh, New York 11793
(516) 826-6500

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN (DEFINED BELOW). ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS FIRST AMENDED DISCLOSURE STATEMENT (THE “**DISCLOSURE STATEMENT**”) IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE FIRST AMENDED PLAN OF REORGANIZATION (THE “**PLAN**”) PROPOSED BY KESWICK REAL ESTATE LLC (THE “**DEBTOR**”). NO OTHER REPRESENTATIONS CONCERNING THE DEBTOR, THE VALUE OF ITS ASSETS OR BENEFITS OFFERED UNDER THE PLAN HAVE BEEN AUTHORIZED.

THE APPROVAL OF THE DISCLOSURE STATEMENT MEANS THAT THE BANKRUPTCY COURT HAS FOUND THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION TO PERMIT CREDITORS OF THE DEBTOR TO MAKE A REASONABLY INFORMED DECISION IN EXERCISING THEIR RIGHT TO VOTE UPON THE PLAN. COURT APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION ON THE MERITS OF THE PLAN. A COPY OF THE PLAN IS ANNEXED HERETO AS **EXHIBIT “1”** AND DESCRIBED HEREIN.

ANY REPRESENTATIONS OR INDUCEMENTS MADE TO OBTAIN YOUR ACCEPTANCE WHICH ARE OTHER THAN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION WHETHER TO APPROVE THE PLAN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION; NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT EXCEPT AS EXPRESSLY INDICATED HEREIN. THIS DOCUMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE DEBTOR AND FROM OTHER SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTOR’S KNOWLEDGE, INFORMATION AND BELIEF.

THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. ALL CREDITORS AND OTHER INTERESTED PARTIES ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND TO READ CAREFULLY THE ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS, BEFORE DECIDING TO VOTE EITHER TO ACCEPT OR REJECT THE PLAN.

TABLE OF CONTENTS

	Page
I INTRODUCTION	1
A. Background	1
B. The Plan Confirmation Process	1
II SUMMARY OF PLAN	3
A. Summary of Categories of Claims	3
B. Summary of Plan Distributions	4
C. Source of Information	5
III HISTORY OF THE CHAPTER 11 CASE	6
A. The Debtor’s Business and Pre-Petition History	6
B. The Bankruptcy Filing	8
C. Retention of Professionals	9
D. Claims Bar Date	10
IV THE PLAN OF REORGANIZATION	10
A. Explanation of Chapter 11	10
B. Claims	11
C. Classes Of Claims or Interests	11
Unclassified Claims	11
1. Administrative Expense Claims	11
2. Fees and Expenses of United States Trustee	12
3. Priority Tax Claims	12
Classified Claims	12
D. Treatment of Allowed Claims	13
Allowed Administrative Expense Claims	13
United States Trustee Claims	14
Priority Tax Claims	14
Class 1 Claims – Disputed Governmental Unit Lien Claims	14
Class 2 Claims – Allowed Secured Mortgage Claims	15
Class 3 Claims – Allowed Unsecured Claims	15
Class 4 Claims – Allowed Member Interest	16
V IMPLEMENTATION OF THE PLAN	16
VI FEASIBILITY	17
VII CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE	18
VIII VOTING	18
IX REQUIREMENT FOR CONFIRMATION OF THE PLAN	19
A. Confirmation Hearing	19
B. Objections to Confirmation	19
C. Acceptance of the Plan	19
D. Confirmation of Plan	20
E. Cramdown	20

X	EFFECT OF CONFIRMATION; DISCHARGE OF DEBTS; INJUNCTION; RELEASE ...	21
A.	Effect of Confirmation	21
B.	Discharge of Debts.....	21
C.	Injunction	21
D.	Release	22
E.	Exculpation	23
XI	ALTERNATIVES TO THE PLAN AND OTHER CONSIDERATIONS	24
A.	Alternatives to the Plan	24
i.	Alternative Plan	24
ii.	Conversion to Chapter 7	24
B.	Best Interests of Unsecured Creditors.....	25
C.	Liquidation Analysis.....	26
XII	RECOMMENDATION OF THE DEBTOR.....	27
XIII	ADDITIONAL INFORMATION.....	27
XIV	TAX CONSEQUENCES.....	27
XV	CONCLUSION	29

I

INTRODUCTION

A. Background

Keswick Real Estate, LLC (the “**Debtor**”) submits this First Amended Disclosure Statement (the “**Disclosure Statement**”) pursuant to Section 1125 of Title 11 of the United States Code (the “**Bankruptcy Code**”), to creditors of the Debtor (the “**Creditors**”) in connection with the: (i) solicitation of acceptances of the Debtor’s First Amended Plan of Reorganization dated September 29, 2016, proposed and filed by the Debtor (the “**Plan**”) with the United States Bankruptcy Court for the Eastern District of New York (the “**Bankruptcy Court**”); and (ii) hearing on confirmation of the Plan to be scheduled by further notice and/or Order of the Court. Unless otherwise defined herein, all capitalized terms contained herein will have the meanings ascribed to them in the Plan.

Attached as an Exhibit to and accompanying this Disclosure Statement is a copy of the following:

Exhibit “1” - The Plan

BALLOTS ARE BEING PROVIDED TO HOLDERS OF CLAIMS IN CLASSES 1 AND 3
BECAUSE CLASSES OF IMPAIRED CLAIMS ARE PERMITTED TO VOTE ON THE
PLAN, WHEREAS CLASSES THAT ARE UNIMPAIRED ARE NOT ENTITLED TO VOTE
AND ARE PRESUMED TO HAVE CONCLUSIVELY ACCEPTED THE PLAN.

B. The Plan Confirmation Process

The Bankruptcy Court approved this Disclosure Statement as containing adequate information to permit creditors of the Debtor to make a reasonably informed decision in exercising their right to vote upon the Plan. Approval of this Disclosure Statement does not,

however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. Each Creditor should read this Disclosure Statement and the Plan in their entirety.

Pursuant to various provisions of the Bankruptcy Code, only classes of claims that are “impaired” under the terms and provisions of a plan are entitled to vote to accept or reject such plan. Accordingly, pursuant to the Debtor’s Plan, Classes 1 and 3 are impaired and are entitled to vote.

In accordance with Section 1128 of the Bankruptcy Code, the Bankruptcy Court shall schedule a hearing, pursuant to a separate notice or Order of the Court, to consider confirmation of the Plan (the “**Confirmation Hearing**”), in the Courtroom of the Honorable Louis A. Scarcella, United States Bankruptcy Judge, at the United States Bankruptcy Court, 290 Federal Plaza, Alfonse M. D’Amato U.S. Courthouse, Central Islip, New York 11722. Objections, if any, to confirmation of the Plan shall be served and electronically filed with the Bankruptcy Court in accordance with such further notice from and/or Order of the Court. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjourned hearing date made at the Confirmation Hearing or at any subsequent adjourned date.

II

SUMMARY OF PLAN

The table below provides a summary of the classification and treatment of Claims under the Plan. The figures set forth in the table below represent the Debtor's best estimate of the total amount of Allowed Claims in the case. These estimates have been developed by the Debtor based on (i) an analysis of its books and records; and (ii) scheduled claims and filed proofs of claim. By Order of the Bankruptcy Court [Dkt. No. 16], August 19, 2016 was set as the last date for filing Proofs of Claim with the Clerk of the Bankruptcy Court (the "**Bar Date Order**"). There can be no assurance that the amount of Claims that may be filed and allowed by the Bankruptcy Court will not exceed the amounts set forth or described herein. Nothing set forth in these schedules shall be deemed an admission by the Debtor as to the existence, validity, priority or amount of any claim asserted against the Debtor. The Debtor fully reserves all of its rights to object to claims.

A. Summary of Categories of Claims

Class	Nature of Claims	Approximate Dollar Amount of Claims in Class
Unclassified – Administrative	Administrative Expense Claims of Professionals Retained Pursuant to Court Order	LaMonica Herbst & Maniscalco, LLP, Counsel to the Debtor, approx. \$100,000.00 (before application of the retainer and court filing fee of \$26,700.00).
Unclassified – U.S. Trustee	Office of the United States Trustee	Unknown
Unclassified – Priority Tax Claims	Priority Tax Claims	\$15,000.00 (approx.)
Class 1	Governmental Unit Lien Claims	\$375,000.00 (approx.)
Class 2	Secured Mortgage Claims	\$812,667.91
Class 3	Unsecured Claims	\$20,000.00 (approx.)
Class 4	Member Interests	Fredrick Olivieri 100% Member

B. Summary of Plan Distributions:

A summary description of each class of Claims and the treatment of such Claims is set forth below:

Class Description	Treatment
<p>Unclassified: Administrative Expense Claims This class consists of the following professionals employed by the Debtor:</p> <p>LaMonica Herbst & Maniscalco, LLP, counsel to the Debtor, retained by Order of the Court dated August 17, 2016, <i>nunc pro tunc</i> to May 20, 2016.</p>	<p>Administrative Expense Claims of the Debtor's professionals, subject to Bankruptcy Court approval, will be paid 100% of their Allowed Administrative Expense Claims on the Effective Date, or on such other date and upon such other terms as may be agreed upon by the holder of such Allowed Administrative Expense Claims and the Debtor.</p>
<p>Unclassified: U.S. Trustee This class consists of outstanding fees owed, if any, to the Office of the United States Trustee.</p>	<p>Any statutory fees and applicable interest due to the Office of the United States Trustee shall be paid in full as they come due. Fees due to the Office of the United States Trustee after the Confirmation Date through final decree shall be paid each calendar quarter by the Debtor.</p>
<p>Unclassified: Priority Tax Claims This class consists of priority tax claims in the aggregate amount of approximately \$15,000.00, pursuant to 11 U.S.C. § 507(a)(8), held by governmental units. This class is comprised of the following creditors: (a) County of Suffolk and (b) Village of Babylon.</p>	<p>Allowed Priority Tax Claims of governmental units will be paid in equal monthly installments to be paid within 60 months from the Petition Date, at an interest rate of 3%, with the first payment to be made on the first business day of the first calendar month following the Effective Date of the Debtor's Plan. Monthly payments to this class would be approximately \$321.87 (inclusive of interest), <i>pro rata</i>.</p>
<p>Class 1: Disputed Governmental Unit Lien Claims This class consists of the Disputed Claim of Suffolk County on account of the 430 Tax Debt which resulted in the 430 Tax Deed and the 444 Tax Debt which result in the 444 Tax Deed. This class consists of Suffolk County which is owed the approximate sum of \$375,000.00.</p>	<p>On August 16, 2016, the Debtor commenced the Adversary Proceeding by the filing of the Complaint seeking to avoid the fraudulent transfers of Debtor's interest in the 430 Property and the 444 Property effectuated by Suffolk County on account of purported secured tax liens so that the 430 Property and the 444 Property may be recovered for the benefit of this estate and its creditors. In the event that the Debtor is successful in avoiding and setting aside the 430 Tax Deed and the 444 Tax Deed, Governmental Unit Lien Claims of Suffolk County shall (a) receive the same treatment as Class 3 – Allowed Unsecured Claims on account of the non-secured and non-priority tax portion of its claims (\$325,000.00 estimated) in the amount allowed and determined by the Bankruptcy Court by Final Order and (b) be paid in equal monthly installments to be paid within 30 months from the Effective Date, at an interest rate of 3%, with the first payment to be made on the first business day of the first calendar month following the Effective Date of the Debtor's Plan on account of the secured tax portion of its claim (\$50,000.00 estimated).</p>
<p>Class 2: Allowed Secured Mortgage Claims This class consists of Allowed Secured Claims held by</p>	<p>This class is not owed any pre-petition arrears and the Debtor is current on post-petition payments. The Debtor</p>

Class Description	Treatment
the Mortgage Holders on account of the Mortgage. The outstanding balance on the Mortgage as of the Petition Date was \$812,667.91. The monthly Mortgage installments aggregate the amount of \$12,941.38.	shall continue making monthly installment payments on account of the Mortgage and related agreements. At all relevant times, the Mortgage Holders shall retain their first priority lien secured against the Real Properties as they existed on the Petition Date.
<p>Class 3: Allowed Unsecured Claims This class consists of Allowed Unsecured Claims.</p>	<p>All Allowed Unsecured Claims in this class shall be paid 50% <u>pro rata</u> over 60 months in equal installments commencing on the first business day of the first calendar months following the Effective Date and for 59 successive calendar months. Monthly payments to this class would be approximately \$172.00, pro rata.</p> <p>[Note: The monthly payments in this class may increase by approximately \$2,800.00 based on the treatment of the of the non-priority tax portion of Class 1 – Governmental Unit Lien Claims.]</p>
<p>Class 4: Allowed Member Interest This class consists of the 100% member interest of the Debtor.</p>	<p>Fredrick Olivieri shall retain his 100% interest in and to the Debtor as it existed on the Petition Date. The Member Interest shall be paid any funds remaining in the Confirmation Account after the payment of the Allowed Administrative Expense Claims and Allowed Claims in accordance with the Plan. In an effort to facilitate the Debtor's Plan, the Member Interest shall make a monthly capital contribution to the Debtor of \$5,000.00.</p>

C. Source of Information

The information contained in this Disclosure Statement was prepared by Fredrick Olivieri (“**Mr. Olivieri**”) as the sole member of the Debtor, based upon the Debtor’s books and records, the Debtor’s bankruptcy petition and schedules, and reviewing all proofs of claim timely filed with the Bankruptcy Court. The estimates of Claims set forth herein may vary from the final amount of Claims allowed by the Bankruptcy Court, but the Debtor believes that the numbers and dollar amounts reflected herein are close to final and allowable amounts according to currently filed claims and scheduled debts of creditors that have not filed a proof of claim. While every effort has been made to insure the accuracy of all such information, the information

presented herein is unaudited and has not been examined, reviewed, or compiled by an independent public accountant.

III

HISTORY OF THE CHAPTER 11 CASE

A. The Debtor's Business and Pre-Petition History

The Debtor is a single member limited liability company duly formed under, and existing pursuant to, the Limited Liability Company Law of the State of New York. Mr. Olivieri is the sole member of the Debtor.

By instrument dated May 6, 2005, and recorded on May 31, 2005, the Debtor granted a single, first priority mortgage (the "**Mortgage**") in favor of several individual lenders in the original principal amount of \$1 Million and secured against the Debtor's real properties then owned, and known as, (a) 437 Fire Island Avenue, Babylon, New York 11702, designated district 0102, section 019.00, block 03.00, lot 016.001 (the "**437 Property**"); (b) 434 Fire Island Avenue, Babylon, New York 11702, designated district 0102, section 019.00, block 03.00, lot 038.000 (the "**434 Property**"); (c) 0 Fire Island Avenue, Babylon, New York 11702, designated district 0102, section 019.00, block 03.00, lot 040.000 (the "**0 Property**"); (d) 430 Fire Island Ave., Babylon, New York 11702, designated district 0102, section 019.00, block 03.00, lot 039.001 (the "**430 Property**"); and (e) 444 Fire Island Ave., Babylon, New York 11702, designated district 0102, section 019.00, block 03.00, lot 041.001 (the "**444 Property**", and collectively the "**Real Properties**").

The 430 Property is improved by a warehouse (the "**Warehouse**"). The Warehouse is used to store inventory, machinery, tools and furnishings utilized in the operations of a seafood restaurant (the "**Restaurant**") owned by an entity known as Jess Cole Restaurant Corp. d/b/a Pier 44 (the "**Tenant**"). The 444 Property is improved by the Restaurant. The Debtor leases the

Real Properties to the Tenant on a month to month lease. The Tenant's rent obligations include payments for the Mortgage and taxes. Mr. Olivieri is the principal of the Tenant. The Debtor's source of monthly income of approximately \$18,000.00 is exclusively from the tenant, which sum is sufficient to fund the Debtor's debt service for the Mortgage and its going forward tax obligations.

In or around November 2012, the Debtor was delinquent in payment of real property taxes in connection with the 430 Property for the years 2009-2010 in the aggregate amount of \$7,435.81 (the "**430 Tax Debt**"). By tax deed dated November 19, 2012, and recorded on November 20, 2012 (the "**430 Tax Deed**"), the County Treasurer of the County of Suffolk transferred the 430 Property to Suffolk County (the "**430 Transfer**"). In or around March 2015, Debtor was delinquent in payment of real property taxes in connection with the 444 Property for the years 2011-2012 in the aggregate amount of \$37,347.02 (the "**444 Tax Debt**"). By tax deed dated March 30, 2015, and recorded on March 31, 2015 (the "**444 Tax Deed**"), the County Treasurer of the County of Suffolk transferred the 444 Property to Suffolk County (the "**444 Transfer**"). As a result of the foregoing, the Debtor presently owns the 437 Property, the 434 Property and the 0 Property. The Debtor, however, maintains an equitable interest in the 430 Property and the 444 Property. Upon information and belief, the present fair market value of the 430 Property is approximately \$180,000.00. Upon information and belief, the present fair market value of the 444 Property is approximately \$1.3 Million.

The incurrence of the aforementioned taxes was the result of two unrelated and unexpected events that prevented the Debtor from meeting its financial obligations. In October 2012, Superstorm Sandy devastated the Restaurant and the Real Properties. The flooding in the Restaurant and the Warehouse caused the Tenant to cease its operations for a long period of time

without any source of income. This caused the Tenant to fall behind in its rental obligations which, as a result, caused the Debtor to become delinquent in both its Mortgage and tax obligations. To exasperate matters more, Mr. Olivieri suffered a major heart attack shortly before Superstorm Sandy which landed him in the hospital and on bed rest for a lengthy period of time. At that point, Mr. Olivieri focused his efforts on both nursing himself back to proper health while at the same time dealing with recovery efforts of the Restaurant on behalf of the Tenant and the Debtor. After much time and effort, the Tenant was able to re-open, meet its monthly rental obligations to the Debtor and cure its arrears.¹ As a result of the Tenants payments, the Debtor was able to cure its arrears with the Mortgage Holders. However, despite Mr. Olivieri's efforts, Suffolk County failed and/or refused to permit the Debtor to redeem the 430 Tax Debt and the 444 Tax Debt. Indeed, prior to the Petition Date, the Debtor commenced informal efforts to redeem the 430 Property and the 444 Property as well as commencing state court Article 78 legal proceedings. Noteworthy is that at the time of the tax delinquencies, the aggregate amount owed was less than \$50,000.00.

When it became apparent that Suffolk County would continue to refuse to redeem the Debtor's tax debt and that Suffolk County was on the verge on taking a tax deed on the 437 Property without redemption, the Debtor was compelled to file its voluntary petition under Chapter 11 of the Bankruptcy Code in order to preserve the value of the Debtor's estate and business as a going concern, and gain the protections afforded under the Bankruptcy Code.

B. The Bankruptcy Filing

As a result, on May 20, 2016 (the "**Petition Date**"), the Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court. The Debtor's goal since

¹ As it was not evicted by Suffolk County, the Tenant was able to maintain its operations.

well before the Petition Date has been to restore its legal interest in the 430 Property and the 444 Property. The Debtor and its principal have jointly fought their way through financial and medicinal recovery efforts by curing the Debtor's debt obligations including the Mortgage arrears. At this juncture, aside from relatively nominal general unsecured debt, the Debtor's final obstacle remains the cure of its tax arrears. In that regard, on August 16, 2016, the Debtor commenced an adversary proceeding by the filing of a complaint seeking to avoid the fraudulent transfers of Debtor's interest in the 430 Property and the 444 Property effectuated by Suffolk County on account of the 430 Tax Debt and the 444 Tax Debt so that the 430 Property and the 444 Property may be recovered for the benefit of this estate and its creditors. Indeed, the Plan contemplates payment in full plus interest for the secured and priority tax creditors and a significant distribution for unsecured creditors.

Having been afforded the protection of the Bankruptcy Court, the Debtor has been able to stabilize its business and begin its rehabilitation efforts. The Debtor has remained current on its debt service and tax obligations since the Petition Date. Significantly, and in an effort to facilitate the Plan payments, the Member Interest shall make a monthly capital contribution to the Debtor of \$5,000.00, which sum shall be used for Plan distributions (the "**Contributions**"). The Debtor will have sufficient funds from its ongoing business operations and the Contributions to meet its monthly obligations and projected plan payments.

C. Retention of Professionals

The Debtor employed the law firm of LaMonica Herbst & Maniscalco, LLP as counsel to the Debtor. This Court entered an Order dated August 17, 2016 authorizing and approving the retention of LaMonica Herbst & Maniscalco, LLP as counsel to the Debtor. See Dkt. No. 23.

D. Claims Bar Date

By Order of the Court dated June 21, 2016, the Court fixed August 19, 2016 (the “**Bar Date**”) as the date by which creditors must timely file a proof of claim (“**Proof of Claim**”). Accordingly, any Creditor having filed a Proof of Claim with the Bankruptcy Court on or before the Bar Date, and whose Claim is deemed an Allowed Claim, will receive payment in accordance with the terms of the Plan. Any Creditor who failed to file a Proof of Claim on or before the Bar Date (i.e. August 19, 2016), which is not listed on the Debtor’s Schedules or is listed as “disputed,” “contingent” or “unliquidated” on the Debtor’s Schedules, may not receive a distribution under the Plan.

IV

THE PLAN OF REORGANIZATION

A. Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor seeks to reorganize its business and financial affairs. A debtor may also liquidate its assets and wind up its affairs in Chapter 11. The formulation and confirmation of a plan of reorganization is the principal purpose of a Chapter 11 case. A plan of reorganization sets forth the means of satisfying or discharging the holders of claims against a Chapter 11 debtor. Chapter 11 does not require that each holder of a claim against a debtor vote in favor of a plan in order for the Bankruptcy Court to approve a plan. If any class of claimants is “impaired” by a plan, the plan must be accepted by at least one “impaired” class of claims. A claim that will not be repaid in full, or a Claimant whose legal rights are altered, or an interest that is adversely affected, are deemed “impaired.”

The holder of an impaired claim is entitled to vote to accept or reject the plan if the claim has been allowed under Section 502 of the Bankruptcy Code, or temporarily allowed for voting

purposes under Bankruptcy Rule 3018. Acceptance by a particular class must be by a majority in number and two-thirds (2/3) of the dollar amount of the total claims actually voting in the class.

B. Claims

Pursuant to the Bar Order, any Creditor who failed to file a proof of Claim on or before the Bar Date and was not listed on the Schedules or was listed as “disputed,” “contingent” or “unliquidated” cannot be treated as a Creditor with respect to such Claim for purposes of voting on and receiving a Distribution under the Plan.

All Proofs of Claim filed in this case will be reviewed, and to the extent necessary, the Debtor will file objections to filed claims. The Court will retain jurisdiction to adjudicate objections to claims brought by the Debtor, including any settlements or compromises of such claims.

C. Classes Of Claims or Interests

Unclassified Claims

1. Administrative Expense Claims: Allowed Administrative Claims are claims against the estate for any costs or expenses incurred during the Chapter 11 case that are allowed and entitled to priority under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, but not limited to, all actual and necessary expenses, and all allowances of compensation or reimbursement of expenses of professionals retained by the Debtor to the extent permitted by the Court.

Administrative Claims include claims of Professionals approved by Order of the Bankruptcy Court who have assisted in the administration of this case and the administrative proofs of claims that were filed with the Court. This sum includes the fees and expenses of professionals retained pursuant to Orders of the Bankruptcy Court, namely Debtor’s counsel.

Such professional fees are subject to Court approval. The Debtor estimates that the Administrative Claims unpaid in this class, as of the Effective Date, will total approximately \$100,000.00² for services performed by LaMonica Herbst & Maniscalco, LLP, as attorneys for the Debtor.

2. Fees and Expenses of United States Trustee: The Debtor shall all statutory fees and applicable interest due to the Office of the United States Trustee that come due up to and including the earlier of the date of entry of a final decree closing this Chapter 11 proceeding or of the date of entry of an order dismissing or converting the case to one under Chapter 7 of the Bankruptcy Code.

3. Priority Tax Claims: Allowed Priority Tax Claims of governmental units will be paid in equal monthly installments to be paid within 60 months from the Petition Date, at an interest rate of 3%, with the first payment to be made on the first business day of the first month following the Effective Date of the Debtor's Plan. This class is comprised of the following creditors: (a) County of Suffolk and (b) Village of Babylon. Monthly payments to this class would be approximately \$321.87 (inclusive of interest), pro rata.

Classified Claims

Class 1 Claims: Disputed Governmental Unit Lien Claims: This class consists of the Disputed Claim of Suffolk County on account of the 430 Tax Debt which resulted in the 430 Tax Deed and the 444 Tax Debt which resulted in the 444 Tax Deed.

Class 2 Claims: Allowed Secured Mortgage Claims: This class consists of Allowed Secured Claims held by the Mortgage Holders on account of the Mortgage. The outstanding balance on the Mortgage as of the Petition Date was \$812,667.91.

² This amount includes the initial retainer fee received by LaMonica Herbst & Maniscalco, LLP in the amount of \$26,700.00.

Class 3 Claims: Allowed Unsecured Claims: This class consists of Allowed Unsecured Claims.

Class 4 Claims: Allowed Member Interest: This class consists of the 100% member interest of the Debtor held by Mr. Olivieri.

D. Treatment of Allowed Claims

Allowed Administrative Expense Claims

Administrative Expense Claims are unimpaired. Allowed Administrative Expense Claims shall consist of: (a) professional fees and expenses and (b) the Debtor's unpaid post-Petition Date, pre-Effective Date operating expenses, if any. Each holder of an Allowed Administrative Expense Claim shall be paid in full, in cash, on the Effective Date or on such other date and upon such other terms as may be agreed upon by the holder of such Allowed Administrative Expense Claim and the Debtor. In the event of any subsequent conversion of this case to a case under Chapter 7 of the Bankruptcy Code, all payments on account of any Allowed Administrative Expense Claim are deemed to have been made in the ordinary course of the Debtor's business and will not be deemed preferential or unauthorized under Sections 547 or 549 of the Bankruptcy Code. Holders of Administrative Expense Claims are not entitled to vote on the Plan and are deemed to have conclusively accepted the Plan.

Allowed Administrative Expense Claims, if any, representing liabilities incurred in the ordinary course of business by the Debtor will be assumed and paid by the Debtor in accordance with the terms and conditions of the arrangements with the particular creditor and in accordance with ordinary business terms.

United States Trustee Claims

The United States Trustee claims are unimpaired. The Debtor shall pay all statutory fees and applicable interest due to the Office of the United States Trustee that come due up to and including the earlier of the date of entry of a final decree closing this Chapter 11 proceeding or of the date of entry of an order dismissing or converting the case to one under Chapter 7 of the Bankruptcy Code.

Priority Tax Claims

Priority Tax Claims are unimpaired. Priority Tax Claims, if any, will be paid in full in equal monthly installments to be paid within 60 months from the Petition Date, at an interest rate of 3%, with the first payment to be made on the first business day of the first month following the Effective Date of the Debtor's Plan. This class is comprised of the following creditors: (a) County of Suffolk and (b) Village of Babylon. Monthly payments to this class would be approximately \$321.87 (inclusive of interest), pro rata.

Class 1 Claims – Disputed Governmental Unit Lien Claims

This class is impaired. This class consists of the Disputed Claim of Suffolk County on account of the 430 Tax Debt which resulted in the 430 Tax Deed and the 444 Tax Debt which resulted in the 444 Tax Deed. On August 16, 2016, the Debtor commenced the Adversary Proceeding by the filing of the Complaint seeking to avoid the fraudulent transfers of Debtor's interest in the 430 Property and the 444 Property effectuated by Suffolk County on account of purported secured tax liens so that the 430 Property and the 444 Property may be recovered for the benefit of this estate and its creditors. In the event that the Debtor is successful in avoiding and setting aside the 430 Tax Deed and the 444 Tax Deed, Governmental Unit Lien Claims of Suffolk County shall (a) receive the same treatment as Class 3 – Allowed Unsecured Claims on

account of the non-secured and non-priority tax portion of its claims (\$325,000.00 estimated) in the amount allowed and determined by the Bankruptcy Court by Final Order and (b) be paid in equal monthly installments to be paid within 30 months from the Effective Date, at an interest rate of 3%, with the first payment to be made on the first business day of the first calendar month following the Effective Date of the Debtor's Plan on account of the secured tax portion of its claims (\$50,000.00 estimated). Therefore, Class 1 is impaired and entitled to vote on the Plan.

Class 2 Claims – Allowed Secured Mortgage Claims

This class is unimpaired. This class consists of Allowed Secured Claims held by the Mortgage Holders on account of the Mortgage. This class is not owed any pre-petition arrears and the Debtor is current on post-petition payments. The Debtor shall continue making monthly installment payments on account of the Mortgage and related agreements. At all relevant times, the Mortgage Holders shall retain their first priority lien secured against the Real Properties as it existed on the Petition Date. Therefore, Class 2 is unimpaired, not entitled to vote and deemed to have conclusively accepted the Plan.

Class 3 Claims – Allowed Unsecured Claims

This class is impaired. This class consists of general unsecured, non-priority claims of the Debtor's estate that are not Administrative Expense Claims, Secured Claims, Priority Tax Claims or Priority Claims. This class will be paid 50% pro rata over 60 months in equal installments commencing on the first business day of the first calendar months following the Effective Date and for 59 successive calendar months. Monthly payments to this class would be approximately \$172.00, pro rata. The monthly payments in this class, however, may increase by approximately \$2,800.00 based on the treatment of the of the non-priority tax portion of Class 1

– Governmental Unit Lien Claims. Therefore, Class 3 is impaired and entitled to vote on the Plan.

Class 4 Claims – Allowed Member Interest

This class is unimpaired. This class consists of the Allowed Member Interest of the Debtor. The Member Interest shall be paid any funds remaining in the Confirmation Account after the payment of the Allowed Administrative Expense Claims and Allowed Claims in accordance with the Plan. The Member Interest shall retain his equity interest in the Debtor to the extent and nature that it existed on the Petition Date. In an effort to facilitate the Debtor’s Plan, the Member Interest shall make a monthly capital contribution to the Debtor of \$5,000.00. Therefore, Class 4 is unimpaired and not entitled to vote on the Plan.

V

IMPLEMENTATION OF THE PLAN

The Debtor’s goal since well before the Petition Date has been to restore its legal interest in the 430 Property and the 444 Property. The Complaint filed by the Debtor in the Adversary Proceeding as against Suffolk County seeks to set aside the 430 Tax Deed and the 444 Tax Deed so that they may be recovered for the benefit of the Debtor’s estate. Sustaining its claims in the Adversary Proceeding will allow the Debtor to re-establish its legal rights in the 430 Property and the 444 Property which are improved by the Restaurant and Warehouse, respectively. As noted herein, the Debtor receives its cash flow exclusively from the Tenant that operates the Restaurant. Restoring the Debtor’s ownership interest in the 430 Property and the 444 Property will allow for an uninterrupted flow of the Tenant’s rent obligations to the Debtor without the threat of the Tenant’s eviction by Suffolk County.

The Debtor shall fund its Plan from revenue that it generates from its business. The Debtor has remained current on its debt service and tax obligations since the Petition Date.

Significantly, and in an effort to facilitate the Plan payments, the Member Interest shall make a monthly capital contribution to the Debtor of \$5,000.00, which sum shall be used for Plan distributions. The rent received from the Tenant coupled with the Contributions is more than sufficient for the Debtor to implement its Plan and sustain its obligations. However, in the event that the Debtor is not able to sustain its claims in the Adversary Proceeding and its legal ownership interest the Debtor is not properly restored, the Debtor may seek to dismiss its bankruptcy case.

On or after the Effective Date, the Debtor shall continue to exist with all the powers of a corporation under applicable law, may use and dispose of property and compromise or settle any claims in accordance with this Plan. The Debtor shall be the Plan administrator.

VI

FEASIBILITY

The Debtor's monthly income is generated from the rent it receives from the Tenant, which sums are sufficient to pay the Mortgage and tax obligations of the Debtor. The Debtor has been current on its debt service to the Mortgage Holders since well before the Petition Date and has remained current post-petition. Indeed, the Debtor has already satisfied some of the Mortgage Holders including a final payment to one of the Mortgage Holders in July 2016.³ The net result will reduce the monthly mortgage payments by approximately \$2,500.00. The aggregate monthly Mortgage payments equal \$12,941.38 and the taxes are \$4,300.00 per month.⁴ The Debtor's monthly rent from the Tenant is \$18,000.00 and the Debtor does not project any

³ Although the Mortgage is a single, first priority lien secured against the Real Properties, the Mortgage Holders are comprised of several individual lenders. Each individual lender is paid monthly on account of their respective percentage interest as detailed in the Mortgage. The Debtor has satisfied 4 of 10 of the individual lenders.

⁴ Property taxes are paid twice a year. For the purpose of this Disclosure Statement, the property taxes have broken down as a monthly payment.

change thereto. Accordingly, the Debtor will be able to pay its monthly obligations on a going forward basis. The approximate amount of Plan payments as detailed above total \$5,000.00 per month. As a result, the Contributions are sufficient to fund the Debtor's Plan distributions. Therefore, the Debtor believes that it has adequate monthly income to make the distributions proposed under the Plan. Thus, the Debtor submits that the Plan will satisfy the feasibility requirement for confirmation of the Plan.

VII

CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE

In order for the Plan to be confirmed, the Confirmation Order must be entered by the Bankruptcy Court and must be a Final Order.

VIII

VOTING

Under the Plan, creditors in Classes 1 and 3 are impaired and entitled to vote. To be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received by the deadline set by the Court, at Debtor's counsel's office, LaMonica Herbst & Maniscalco, LLP, 3305 Jerusalem Avenue, Wantagh, New York 11793, Attn: Salvatore LaMonica, Esq. and Jordan Pilevsky, Esq.

IX**REQUIREMENT FOR CONFIRMATION OF THE PLAN****A. Confirmation Hearing**

The Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing to consider confirmation of the Plan. The Confirmation Hearing shall be scheduled by the Court to be held before the Honorable Louis A. Scarcella, in the United States Bankruptcy Court, Eastern District of New York, 290 Federal Plaza, Alfonse M. D'Amato U.S. Courthouse, Central Islip, New York 11722. 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.

B. Objections to Confirmation

The Bankruptcy Court will direct that objections, if any, to Confirmation of the Plan be in writing, filed with the Bankruptcy Court with a courtesy copy to chambers of the Honorable Louis A. Scarcella, with proof of service and that such objections be served on or before such date as set forth in an additional notice or Order of the Court. Objections must be served upon (i) counsel to the Debtor, LaMonica Herbst & Maniscalco, LLP, 3305 Jerusalem Avenue, Wantagh, New York, 11793, Attn: Salvatore LaMonica, Esq. and Jordan Pilevsky, Esq.; and (ii) the Office of the United States Trustee, 560 Federal Plaza, Alfonse M. D'Amato U.S. Courthouse, Central Islip, New York 11722. Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

C. Acceptance of the Plan

Acceptance of the Plan requires that each impaired Class of Claims accepts the Plan, with certain exceptions discussed below. Thus, acceptance of the Plan is tested on a class by class basis. Classes of Claims that are not impaired under the Plan are deemed to have accepted the

Plan. Under the Plan, Classes 1 and 3 are impaired and, as a result, those Classes are entitled to vote.

D. Confirmation of Plan

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including: (i) that the Plan has classified Claims in a permissible manner; (ii) that the contents of the Plan comply with the technical requirements of the Bankruptcy Code; (iii) that the Plan has been proposed in good faith; and (iv) that disclosures concerning the Plan have been made which are adequate and include information concerning all payments made or promised in connection with the Plan and the Chapter 11 case. The Debtor believes that all of these conditions have been or will be met.

E. Cramdown

Section 1129 of the Bankruptcy Code establishes the requirements for confirmation of a Chapter 11 plan. The requirements are numerous and differ depending on whether or not confirmation is consensual. If consensual confirmation is sought because all impaired classes accepted the plan, Section 1129(a) of the Bankruptcy Code governs.

For non-consensual confirmation or “cramdown” under Section 1129(b) of the Bankruptcy Code, the Debtor must meet all of the requirements contained in Section 1129(a), except paragraph (8) of Section 1129(a) of the Bankruptcy Code. In addition, the Debtor must show that the plan does not unfairly discriminate against dissenting classes, and that the treatment of the dissenting classes is fair and equitable. In other words, the court may confirm over the dissent of a class of unsecured claims only if the members of the class are unimpaired, if they will receive under the plan property of a value equal to the allowed amount of their unsecured claims, or if no class junior will share under the plan. That is, if the class is impaired,

then they must be paid in full or, if paid less than in full, then no class junior may receive anything under the plan.

Although the Debtor seeks confirmation from its impaired classes by voting to accept the Plan, in the event an impaired class votes to reject the Plan, the Debtor will seek to confirm its Plan by utilizing the cram-down provision contained in Section 1129(b) of the Bankruptcy Code.

X

EFFECT OF CONFIRMATION; DISCHARGE OF DEBTS; INJUNCTION; RELEASE

A. Effect of Confirmation

On the Confirmation Date, the terms of this Plan bind all holders of all Claims against the Debtor, whether or not such holders accept this Plan.

B. Discharge of Debts

The rights afforded herein and the treatment of all Claims herein shall be in exchange for a complete satisfaction, discharge and release of Claims of any of any nature whatsoever, against the Debtor, the Debtor's estate or any of its assets or properties and any retained professional in this case. Except as otherwise provided herein, on the Effective Date, all such Claims against the Debtor shall be satisfied, discharged and released in full, and all persons or entities are precluded and enjoined from asserting against the Debtor, the reorganized Debtor, their successors, or their assets or property any other or further Claims based upon any act, omission, transaction or other activity of any kind or nature that occurred before the Confirmation Date.

C. Injunction

Effective on the Confirmation Date, all creditors who have held, hold, or may hold Claims against the Debtor or its assets are enjoined from taking any of the following actions against or affecting the Debtor or the assets of the Debtor with respect to such Claims (other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the

Confirmation Order): (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Debtor or the assets of the Debtor or any direct or indirect successor in interest to the Debtor, or any assets of any such transferee or successor; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree or order against the Debtor or its assets or any direct or indirect successor in interest to the Debtor, or any assets of such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor or the assets of the Debtor or its assets or any direct or indirect successor in interest to the Debtor, or any assets of any such transferee or successor other than as contemplated by the Plan; (iv) asserting any set-off, right of subrogation or recoupment of any kind directly or indirectly against any obligation due the Debtor or its assets or any direct or indirect transferee of any assets of, or successor in interest to, the Debtor; and (v) proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan.

D. Release

As of the Confirmation Date, to the extent authorized by Section 1141 of the Bankruptcy Code, the Released Parties shall be released from all Claims, demands, actions, claims for relief, causes of actions, suits, debts, covenants, agreements and demands of any nature whatsoever, in law and in equity, that any creditor had, or now has, or may hereafter have against the Debtor arising prior to the Effective Date. Except as otherwise provided herein and in Section 1141 of the Bankruptcy Code, all Persons shall be precluded and enjoined from asserting against the Released Parties, their assets or properties, or against any property that is distributed, or is to be distributed under the Plan, any other or further Claim upon any acts or omissions, transactions or other activity of any kind or nature that occurred prior to the Effective Date. Nothing in this

section shall be construed as a release from claims that may constitute gross negligence, willful misconduct, criminal misconduct, fraud or failure to disclose material information which causes actual damages in regards to the Debtor's bankruptcy case.

E. Exculpation

The Exculpated Parties and their property and professionals who provided services to the Debtor's estate during this Chapter 11 case, and all direct or indirect predecessors-in-interest to any of the foregoing Persons, will not have or incur any liability to any Person for any act taken or omission occurring on or after the Petition Date in connection with or related to this estate, including but not limited to (i) the commencement and administration of the Chapter 11 case, (ii) the operation of the Debtor during the pendency of the Chapter 11 Case, (iii) formulating, preparing, disseminating, implementing, confirming, consummating or administering the Plan (including soliciting acceptances or rejections thereof); (iv) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken during the administration of the Chapter 11 case or in connection with the Plan; or (v) any Distributions made pursuant to the Plan. Nothing in this section shall be construed as a release of such person's gross negligence, willful misconduct, criminal misconduct, fraud or failure to disclose material information which causes actual damages in regards to the Debtor's bankruptcy case with respect to the matters set forth in this section. Nothing contained herein shall serve to limit the liability of attorneys and professionals to their clients for malpractice pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

XI

ALTERNATIVES TO THE PLAN AND OTHER CONSIDERATIONS

A. Alternatives to the Plan

The Debtor believes that the Plan provides creditors with the earliest and greatest possible value that can be realized on their respective Claims. The principal alternatives to confirmation of the Plan are: (i) confirmation of alternative plans submitted by another party in interest; or (ii) conversion of the case to Chapter 7 of the Bankruptcy Code.

i. Alternative Plan

The Debtor is not aware of any party prepared or interested in filing an alternative plan which provides, on the whole, greater recoveries for creditors. Moreover, any alternative plan may not generally be acceptable to the Debtor and would likely result in costly and time-consuming litigation that will ultimately be detrimental to the creditors.

ii. Conversion to Chapter 7

The Debtor believes that a conversion to Chapter 7 would not be in the best interests of creditors. As described in Section XII (B) below (“Best Interests of Unsecured Creditors”), liquidation of the Debtor’s assets under Chapter 7 of the Bankruptcy Code would not generate a greater distribution to creditors than proposed under the Plan, especially in light of the fact that the Debtor does not currently hold legal title to two of its more valuable tax lots. Conversion under Chapter 7 of the Bankruptcy Code would entail the appointment of a trustee likely to have no historical experience or knowledge of the Debtor or its assets. Moreover, the additional administrative costs incurred by a trustee and its attorneys could also be substantial and will impact upon the ability of Creditors to receive payment on the Effective Date or shortly thereafter. Finally, any additional Administrative Costs will adversely affect the distribution to Claimants and will not inure to their benefit.

Therefore, the Debtor believes that confirmation of the Plan is preferable to the alternatives described above because the Plan maximizes the property available for distribution to all Classes of Claims and appropriately distributes all the Debtor's nonexempt assets to the Unsecured Creditors without the added Administrative Expenses of a Chapter 7 Trustee and its attorneys and other professionals.

B. Best Interests of Unsecured Creditors

Notwithstanding acceptance of the Plan by Classes of Claims, in order to confirm the Plan, the Bankruptcy Court must independently determine that the Plan is in the best interests of all Classes of Claims. The "best interests" test requires that the Bankruptcy Court find that the Plan provides to each member of each impaired Class of Claims a recovery which has a present value at least equal to the present value of the distribution which each such creditor would receive from the Debtor if its assets were instead distributed by a Trustee under Chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan satisfies the "Best Interests Test" with respect to all Classes of Claims since unsecured creditors would likely receive no distribution in the event of a Chapter 7 liquidation.

The cost of converting the case to one under Chapter 7 would likely include the fees of a trustee, as well as those of the Chapter 7 trustee's counsel and other professionals that may be retained by the Chapter 7 trustee and unpaid expenses incurred by the Debtor during the Chapter 11 case (such as fees for attorneys). These Claims, and such other Claims as might arise in the liquidation or result from the Debtor's Chapter 11 case, would be paid from the Debtor's assets before its assets would be available to pay Unsecured Claims resulting in substantially less of a recovery by the trustee for the creditors of this estate.

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE GREATEST AND EARLIEST POSSIBLE RECOVERY ON ACCOUNT OF CLAIMS AND THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS.

C. Liquidation Analysis

Pursuant to the Plan, the Debtor estimates that Allowed Unsecured Claims will receive a significant distribution. The Debtor believes that if the case were converted to a Chapter 7 case, unsecured creditors would receive no greater distribution on account of a liquidation of the estate than they would under the Plan.

The Debtor believes that a straight liquidation of the Debtor's current assets would result in a far less distribution to creditors. Absent a judicial determination in the Adversary Proceeding in favor of the Debtor restoring its legal ownership interest in the 430 Property and the 444 Property, the Debtor will be left with only the 434 Property, the 437 Property and the 0 Property. The aggregate appraised value of the 434 Property, the 437 Property and the 0 Property is \$345,000.00. However, if such properties were to be liquidated and sold "as is" without the adjacent improved properties (i.e. the 430 Property and the 444 Property), this value may be significantly decreased. Any such liquidation would result in only a partial payment to the Mortgage Holders with no distribution at all to priority tax and unsecured creditors. Accordingly, the Debtor believes that the Plan and its treatments of creditors as described above would provide a much greater distribution to all allowed creditors.

The Debtor believes that confirmation of the Plan is preferable to the alternatives described above because the Plan maximizes the value of all property available for distribution to all Classes of Claims and maintains the Debtor as a viable going concern. The Debtor's trade creditors will also receive the added benefit of continued business with the Debtor. Accordingly,

the Debtor believes that confirmation of the Plan, rather than the alternatives described above, is in the best interests of creditors.

XII

RECOMMENDATION OF THE DEBTOR

The Plan and this Disclosure Statement were drafted and submitted by the Debtor. As such, the Debtor strongly supports this Plan and believes that Confirmation of the Plan provides the Creditors with the best possible recovery in the shortest possible time.

XIII

ADDITIONAL INFORMATION

Requests for information and additional copies of this Disclosure Statement, the Plan, and any other materials or questions relating to the Plan and this Disclosure Statement should be directed to Debtor's counsel, LaMonica Herbst & Maniscalco, LLP, 3305 Jerusalem Avenue, Wantagh, New York 11793, Attn: Salvatore LaMonica, Esq. and Jordan Pilevsky, Esq., at (516) 826-6500 during regular business hours.

XIV

TAX CONSEQUENCES

The Debtor is not aware of any tax consequences which may result from the confirmation of the Plan. Creditors should consult with their own tax advisor concerning any such tax related implications. Creditors should consult with their tax advisor concerning (a) any deductions which may be applicable to them as bad debt deductions, or (b) income tax implications based upon forgiveness of debt, if applicable, based upon the provisions of the Debtor's Plan.

Pursuant to IRS Circular 230 Notice: To ensure compliance with IRS Circular 230, holders of Claims are hereby notified that (a) any discussion of U.S. federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and cannot be

used, by holders of Claims for the purpose of avoiding penalties that may be imposed on them under the Tax Code; (b) such discussion is written in connection with the promotion or marketing by the Debtor of the transactions or matters addressed herein; and (c) holders of Claims should seek advice based upon their particular circumstances from an independent tax advisor.

XV

CONCLUSION

The Debtor believes the Plan is in the best interests of all Creditors.

Dated: September 29, 2016
Wantagh, New York

LaMonica Herbst & Maniscalco, LLP
Attorneys for the Debtor

By: **s/ Jordan Pilevsky**
Salvatore LaMonica, Esq.
Jordan Pilevsky, Esq.
3305 Jerusalem Avenue, Suite 201
Wantagh, New York 11793
(516) 826-6500

Dated: September 29, 2016
Babylon, New York

Keswick Real Estate LLC
Chapter 11 Debtor

By: **s/ Fredrick Olivieri**
Name: Fredrick Olivieri
Title: Sole Member