UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re ALBANY EYE PHYSICIANS & SURGEONS, P.C., d/b/a STASIOR & STASIOR EYE CARE, Debtor.	Chapter 11 Case No. 18-10626-5

FIRST AMENDED COMBINED DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCE OR REJECTION 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 COURT.

NOLAN & HELLER, LLP
Attorneys for the Debtor
39 North Pearl Street
Albany, New York 12207
(518) 449-3300

TABLE OF CONTENTS

ARTICLE I

INTRODUCTORY STATEMENT

Pursuant to §1125(f) of 11 U.S.C. 101 *et seq.* (the "Bankruptcy Code") and Bankruptcy Rule of Procedure 3017, Albany Eye Physicians & Surgeons, P.C., d/b/a Stasior & Stasior Eye Care (the "Debtor") respectfully submits this combined Disclosure Statement and Plan which was prepared in order to disclose material, important and necessary information to assist creditors and other parties in interest in exercising their right to vote for acceptance or rejection of the Debtor's Chapter 11 Plan of Reorganization filed herein (the "Plan").

Pursuant to 11 U.S.C. §1125(f) the Court may determine that the Plan herein provides adequate information and that a separate Disclosure Statement is not necessary. The Court's approval of this disclosure statement is not, and should not be construed as, a formal recommendation of the Court of the Debtor's Plan and creditors are cautioned against drawing such an inference.

The Court has scheduled a hearing relative to the confirmation of the Plan on ____________, 2019, which is more particularly set forth in the enclosed notice from the Clerk of the Court.

The Plan can be confirmed by the Court and thereby made binding on a creditor if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class that have accepted or rejected the plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class rejecting it.

Any party in interest in this proceeding may object to the above stated confirmation of the Plan by, at least 7 days prior to the above stated confirmation hearing, filing an objection with the

Clerk of the Court and by serving a copy thereof upon the attorneys for the Debtors, Nolan & Heller, LLP, 39 North Pearl Street, Albany, New York 12207, Attn: Francis J. Brennan, Esq., and other parties as required by Bankruptcy Rule of Procedure 3020.

IT IS IMPORTANT THAT CREDITORS EXERCISE THEIR RIGHT TO ACCEPT OR REJECT THE PLAN. Creditors may accept or reject the Plan by completing and returning the ballot enclosed herewith by _____________, 2019 to the Debtors' attorneys, Nolan & Heller, LLP, 39 North Pearl Street, Albany, New York 12207, Attn: Francis J. Brennan, Esq. Any ballot which is executed by the holder of an allowed claim but does not designate acceptance or rejection of the Plan shall be deemed an acceptance of the Plan.

ARTICLE II

DEFINITIONS

1. "Administrative Expenses" shall refer to all administrative expenses allowed by the Court pursuant to Section 503(b) of the Code.

2. "Allowed Claim" shall refer to (a) a claim in respect to which a timely proof of claim has been filed with the Clerk of the Court and not objected to by the Debtor, or if so objected to, is allowed over the objection of the Debtor by a final order of the Court; (b) a claim which (i) is scheduled in the Debtor's Schedules of Assets and Liabilities prepared and filed by the Debtor with the Court pursuant to Section 521 of the Code <u>and</u> (ii) which is not listed therein as disputed, contingent or unliquidated as to amount; and in all such cases as to which no objection to the allowance thereof has been interposed, or (iii) which such an objection has been interposed, as to which resolution of any such objection has been determined by a final order of the Court or by stipulation among the parties.

3. "Bankruptcy Court" or "Court" shall refer to the United States Bankruptcy Court for the Northern District of New York, in which this Chapter 11 proceeding is pending.

4. "Code" shall refer to the provisions of Title 11 of the United States Code, (11 U.S.C. Section 101 et seq.), and any amendments thereof.

5. "Claim" shall refer to the status of those rights defined in section 101(5) of the Code.

6. "Class" shall refer to the class designations set forth in Article VI of this Plan into which Allowed Claims are divided for purposes of defining their treatment pursuant to the provisions of the Plan.

7. "Debtor" shall refer to Albany Eye Physicians & Surgeons, P.C., d/b/a Stasior & Stasior Eye Care.

8. "Default" means the failure of the Debtor to make payment required under the Plan within thirty days of such payment being due.

9. "Effective Date of the Plan" shall refer to that date upon which an order of the Court confirming the Plan becomes final and non-appealable without any appeal having been taken therefrom.

10. "Impaired Claim" shall refer to those claims or interests which are deemed "impaired" pursuant to the provisions of 11 U.S.C. Section 1124 and the provisions of this Plan.

11. "Order of Confirmation" shall refer to the order or orders entered by the court confirming the Plan in accordance with Chapter 11 of the Code.

12. "Plan" shall refer to this Plan of Reorganization and any authorized modifications or amendments made with respect thereto.

13. "Priority Claims" shall refer to all claims defined pursuant to the provisions of 11 U.S.C. Section 507.

14. "Property" shall refer to the property owned by the Debtor or in which the Debtor has an interest.

15. "Pro rata" shall mean with respect to any holder of an Allowed Claim the same proportion that the amount of such Allowed Claim bears to the aggregate amount of all Allowed Claims of the same class.

16. "Reorganized Debtor" shall mean the entity into which the Debtor's business has been reorganized and that has assumed title to the Debtor's assets.

17. "Secured Claim" shall mean a claim secured by lien(s) on the Property of the Debtor which liens are valid, perfected and enforceable under applicable law and are not subject to avoidance under the Code or other applicable non-bankruptcy law.

18. All other terms, where applicable, shall be construed in accordance with Section 101 of the Code.

ARTICLE III

BACKGROUND

Business Operations

The Debtor is a New York professional corporation, organized on October 26, 1971. Founded by Dr. Orkan Stasior, a licensed ophthalmologist, Dr. George Stasior currently operates the practice located at 930 Albany Shaker Road, Latham, New York. Dr. Orkan Stasior is the Debtor's sole shareholder. On April 11, 2018, ("Petition Date"), the Debtor filed its Petition for relief under Chapter 11 of Title 11 (the "Code"), United States Code with the United States Bankruptcy Court for the Northern District of New York ("Court") and is a debtor and debtor-in-possession pursuant to 11 U.S.C. §1107 and 1108 of the Code. As of the Petition Date, the Debtor had three employees, including Dr. George Stasior.

Historically, the Debtor's practice was stable and thriving. Previously located on Wade Road in Latham, New York, the practice relocated to its present location in in March, 2012, which it shared with an outpatient clinic of a regional hospital. The practice anticipated that it would expand with referrals from the clinic. However, shortly after the practice relocated to its present location the clinic closed and the anticipated increase in the number of patients did not materialize. Contemporaneously with its relocation, the practice experienced unexplained losses which were later determined to have been caused by faithless employee's actions. As a result of certain health issues, Dr. Orkan Stasior retired from the practice several years ago, although he continues to see patients from time to time when necessary. Dr. George Stasior, an employee of the practice, sees the majority of patients.

With the retirement of the senior Dr. Stasior, it became increasingly difficult for the practice to continue to treat the volume of patients previously seen by the practice when it was staffed with two physicians. As revenue declined, the practice had to reduce staff, which increased the time Dr. Stasior had to take to perform procedures ordinarily performed by optical technicians. This led to further contraction of practice revenue as Dr. Stasior was not able to devote as much time to performing procedures that generated greater revenue.

As a result of declining revenue, the Debtor was unable to remain current with its withholding income tax liability to the Internal Revenue Service ("IRS") and rent obligations to Shaker Road Development, LLC. Although it had entered into a payment plan with the IRS, the practice was not able to remain current on that payment plan and was also in default under its lease. The Debtor is also obligated to NBT Bank pursuant to the terms of a certain promissory note dated

February 21, 2013 in the original principal amount of $306,600.00 (the "Promissory Note"), which debt is secured by substantially all of the Debtor's assets, and that certain Business Overdraft Line of Credit Agreement (the "LOC") in the original principal amount of $20,000.00 with NBT Bank.

The Debtor's bankruptcy filing was precipitated by a petition brought by Shaker Road Development, LLC in Colonie Town Court seeking an order of eviction of the Debtor from its office space. As a result of the bankruptcy filing, the eviction proceeding was automatically stayed. The Debtor continues to operate its practice at the 930 Shaker Road property.

Income and Balance Sheet Information

As of the Petition date, the Debtor reports assets of approximately $147,259.11[1], including pre-petition accounts receivable of approximately $114,386.34 with liabilities of approximately $862,308.13, including approximately $555,023.00 owed to insiders of the Debtor. Accounts receivable total $35,009.96 as of December 31, 2018, virtually all of which is between 0-60 days past due. The Debtor believes all or substantially all of this amount to be collectible as it is based on payments due from private health insurers, Medicaid or Medicare. The debtor believes that it has collected its pre-petition receivables to the extent collectible. As of the date of the Plan, uncollected -pre-petition accounts receivables are in excess of 300 days' past due and are deemed uncollectible. A substantial portion of that pre-petition amount is comprised of Medicaid or Medicare receivables which have been denied or for which the applicable time period to collect has expired. The Debtor estimates that total uncollectible Medicaid or Medicare receivables total approximately $45,000.00.

Petition Date to December 31, 2018 gross revenue totals $298,260.91. The Debtor has experienced a steady increase in net cash since the Petition Date, increasing from -$526.00 net

1 The debtor's balance sheet reflects the value of furniture and equipment and medical equipment as $552,374.12, less depreciation of 519,806.00, or net value of $32,568.12.

revenue for April, 2018 to an aggregate amount of cash on hand as of December 31, 2018 of $23,900.66.

<u>Summary of Chapter 11 Proceedings</u>

The Debtor filed a voluntary petition under Chapter 11 of 11 U.S.C. §§101 *et seq.* (hereafter, the "Code") in the U.S. Bankruptcy Court for the Northern District of New York on the Petition Date. Since filing the petition, the Debtor has been a debtor in possession and has continued to operate its business pursuant to §§1107 and 1108 of the Code. The Debtor has honored all of its duties as debtor-in-possession and is in full compliance with the U.S. Trustee's Operating Guidelines. A creditor's committee was not appointed in this case. On May 22, 2018 the Court entered an order granting the Debtor's application to employ Nolan & Heller, LLP as counsel to the Debtor. Also entered on May 22, 2018 was the Court's order directing the appointment of a Patient Care Ombudsman pursuant to 11 U.S.C. §333. On May 123, 2018, the United States Trustee appointed Krystal A. Curley as Patient Care Ombudsman. On June 21, 2018, the Court entered an order granting the Debtor's application to retain Knapek, Gabriele and Bottini, LLP as accountants for the Debtor. No other professionals have been appointed in the case.

Since the Petition Date, the Debtor entered into a stipulation regarding the Debtor's use of cash collateral with the IRS. By order entered on July 30, 2018, the Debtor's time to assume or reject its lease with Shaker Road Development, LLC was extended to November 7, 2018. On October 29, 2018, the Bankruptcy Court entered an order approving a stipulation between the Debtor and Shaker Road Development, LLC further extending the time for the Debtor to assume or reject its commercial lease to March 7, 2019. Since the filing of the petition, the Debtor has remained current with respect to its post-petition lease obligations. Krystal A. Curley was appointed as the Patient Care Ombudsperson for the Debtor pursuant to 11 U.S.C. §333(a)(1).

The Debtor is current with respect to its post-petition obligation to file its monthly operating reports and pay its quarterly fees to the Office of the United States Trustee. Post-petition vendors are also current.

The Debtor's proposed plan provides for a reorganization of its business that conforms its debt service to its projected income. As more fully described in the Debtor's financial projections attached to its Disclosure Statement, the Debtor projects continued improving revenue. The Debtor's principal believes that the practice has stabilized as reflected by increased net revenue since the Petition Date and that the practice will continue to experience an increase in gross and net revenue going forward. The Debtor's principal has engaged in discussions with a local hospital to potentially combine with the practice. If that combination goes forward, the Debtor will assume its lease with Shaker Road Development, LLC. In such event, the Debtor will cure or provide adequate assurance of cure of its pre-petition default under the lease, as required by 11 U.S.C. §365(b). While the Debtor's financial projections are based upon its good faith review of its historical finances, nevertheless, based upon current revenue and projected patient visits and revenue, the Debtor reasonably believes that the proposed Plan is feasible.

ARTICLE IV

ASSETS OF THE DEBTOR

The Debtor's assets as of the Petition Date consist of bank deposits, accounts receivable and furniture, fixtures and medical equipment net of depreciation in the aggregate amount $147,259.11.

ARTICLE V

LIABILITIES OF THE DEBTOR

The Debtor's liabilities consist of the secured claim of the IRS; the partially secured claim of NBT Bank; the priority, unsecured claims of the IRS and the New York State Department of Taxation and Finance; general, unsecured claims; insider unsecured claims and equity. The respective amounts due and treatment of such claims is set forth herein.

ARTICLE VI

THE PLAN OF REORGANIZATION

The Debtor's liabilities consist of the secured claim of the IRS; the partially secured claim of NBT Bank; the priority, unsecured claims of the IRS and the New York State Department of Taxation and Finance; general, unsecured claims; insider unsecured claims and equity. The respective amounts due and treatment of such claims is set forth herein. Income and expense projections over the term of the Plan are attached hereto and made a part hereof as Exhibit "A".

A. <u>Administrative Claims.</u>

The costs and expenses of administration as defined in Sections 503(b) and 507(a)(1) of the Code, which will be paid as allowed by the Court, are estimated as follows:

Nolan & Heller, LLP (counsel for the Debtor) - $25,000.00 (est.). Nolan & Heller has received a retainer of $12,000.00, including the Court's filing fee. The Court granted Nolan & Heller's First Interim Fee Application in the amount of $17,847.06, as follows: $16,020.00 for services rendered and $1,827.06 for expenses incurred by the Debtor during the period April 11, 2018 through and including July 25, 2018. Following draw down of the retainer and reimbursement of expenses, the balance of $5,847.06 has been paid. Nolan & Heller anticipates future fee applications through the confirmation of the Plan or conversion or dismissal of the case.

Nolan & Heller intends to make applications to the court for allowances of compensation. This Court shall fix the compensation of Nolan & Heller for services rendered after due application and hearing pursuant to the rules of this Court.

Knapek, Gabriele & Botini, LLP (accountants for Debtor)- $10,000.00 (est.). Knapek, Gabriele & Botini, LLP was appointed as accountants for the Debtor. The firm did not receive a retainer. The firm anticipates making one or more fee applications to the Court for allowances of compensation through the confirmation of the Plan or conversion or dismissal of the case. The Court shall fix the compensation of Knapek, Gabriele & Botini, LLP for services rendered after due application and hearing pursuant to the rules of this Court.

The above-referenced fees and expenses shall be allowed pursuant to 11 U.S.C. §1129(a)(9) after due application to and allowance by the Court pursuant to 11 U.S.C. §330 and §331 and §503.

B. Secured Claims. The following are the secured claims listed by the Debtor in its schedules or filed by creditors:

Class 1- Internal Revenue Service. The IRS asserts a secured claim in the amount $90,087.90. Pursuant to 11 U.S.C. §1129(a)(9)(C), the IRS shall receive a first-priority, secured claim in the amount of $90,087.90, plus interest at the statutory rate of 5.7% per annum over a period of sixty months from the Petition Date. Assuming confirmation of the Plan in April, 2019, the IRS shall receive payment in equal monthly installments of $2,120.16 through the sixtieth month following the Petition Date. Payments shall commence within fifteen (15) days of the entry of the Court's order confirming the Plan.

This class is not impaired, is not entitled to vote and is presumed to have accepted the Debtor's Plan.

<u>Class 2- NBT Bank.</u> NBT Bank has filed an amended claim in the aggregate amount of $140,835.66 on account of the Promissory Note and LOC. The terms of NBT's Promissory Note and LOC shall be modified as provided herein. Based on the IRS's first-priority secured claim versus the value of the Debtor's assets as of the Petition Date, NBT Bank shall have an allowed, second-priority secured claim in the amount of $57,171.00, plus interest at 6% per annum over a period of sixty months from the entry of the Court's order confirming the Plan, resulting in a monthly payment of $1,105.29, with the balance of the asserted claim receiving treatment as provided for in Class 5 of the Plan. Payments shall commence within fifteen (15) days of the entry of the Court's order confirming the Plan. NBT Bank has consented to this treatment of its secured claim.

This class is impaired and is entitled to vote on the Debtor's Plan.

The Debtor has no other secured creditors.

C. <u>Priority, Unsecured Claims</u>

<u>Class 3- Internal Revenue Service.</u> The Internal Revenue Service has asserted a priority, unsecured claim in the amount of $11,000.00. This claim shall receive payment in the amount of $11,000.00, plus interest at the statutory rate of 5.7% per annum over a period of sixty months from the Petition Date. Assuming confirmation of the Plan in April, 2019, the IRS shall receive payment in equal monthly installments of $256.83 through the sixtieth month following the Petition Date. Payments shall commence within fifteen (15) days of the entry of the Court's order confirming the Plan.

This class is not impaired, is not entitled to vote and is presumed to have accepted the Debtor's Plan.

<u>Class 4- New York State Department of Taxation and Finance.</u> The New York State Department of Taxation and Finance has asserted a priority, unsecured claim in the amount of $5.50. This claim shall receive payment in the amount of $5.50 within fifteen (15) days of entry of the order confirming the Plan.

This class is not impaired, is not entitled to vote and is presumed to have accepted the Debtor's Plan.

D. General, Unsecured Claims

Class 5- Timely Filed, Fixed and Liquidated General, Unsecured Claims. Unsecured claims listed in its schedules and/or for which proofs of claim were filed against the Debtor and the deficiency arising from treatment of NBT Bank's Class 2 claim total approximately $113,548.67. The Debtor's Plan proposes to pay holders of timely filed, fixed and liquidated general, unsecured claims a dividend of not less than 1%, paid in a lump sum within fifteen (15) days of the entry of the Court's order confirming the Plan.

This class is impaired and is entitled to vote on the Debtor's Plan.

Class 6-Insider Claims. The Debtor's principal, Dr. Orkan Stasior, and his wife hold claims against the Debtor in the aggregate amount of approximately $555,023.00. Holders of Class 6 Claims shall not receive a dividend on account of their claims and waive any payment under the Plan.

This class is impaired is deemed to reject the Plan and is not entitled to vote.

E. Equity Interest of Members

Class 7- Equity. Dr. Orkan Stasior holds 100% of the Debtor's shareholder interest. Dr. Stasior shall receive 100% of the shareholder interest in the reorganized Debtor on account of his waiver of his Class 6 claim.

F. Executory Contracts and Unexpired Leases. Based upon negotiations with the landlord and its consent to the within terms, the Debtor will assume its unexpired lease of real property with Shaker Road Development, LLC pursuant to 11 U.S.C. §365(b). The lease shall be modified to extend the present term for an additional twenty-nine (29) months (the "Additional Rent Term"). The sum of $786.40 currently added to the base rent to amortize the fit up costs for the space occupied by the Debtor as provided for under the lease shall continue to be added to the base rent for the respective lease term for the Additional Rent Term to fully amortize the cure payment of the pre-petition rental arrears in the amount of $22,800.00.

Creditors should be aware and understand that the attached financial information constitutes the Debtor's projected income and expenses based upon information known to the Debtor at the time the within Plan has been proposed and are based upon the Debtor's historical financial data, including during the pre- and post-petition periods. No representations are being made, and none should be assumed, that the projections represent a promise of actual future performance.

Claims under the Plan will be classified and treated as set forth in Article VI, herein. Certain classes are designated as "impaired". A class is impaired, pursuant to Section 1124 of the Bankruptcy Code, unless it (1) leaves the rights of creditors holding claims within the class unaltered, or (2) with respect to claims that have been accelerated pursuant to contractual provisions, provides for a curing of defaults and otherwise leaves the claim holders rights unaltered.

Proposed treatment of the classes of creditors in this case is as noted above.

CREDITORS ARE URGED TO READ THE PLAN IN FULL. CREDITORS ARE FURTHER URGED TO CONSULT WITH COUNSEL OR WITH EACH OTHER IN ORDER TO FULLY UNDERSTAND THE PLAN. THE PLAN REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT BY THE DEBTORS, AND AN INTELLIGENT JUDGMENT CONCERNING

THE ACCEPTANCE, REJECTION OR RESOLUTION OF THE PLAN CANNOT BE MADE WITHOUT FULLY UNDERSTANDING IT.

ARTICLE VII

LIQUIDATION ANALYSIS

It is the Debtor's belief that the proposed plan provides unsecured creditors with the best opportunity to receive payment through the Court. All of the Debtor's assets as described in Article III herein are subject to the liens of the IRS and NBT Bank to the extent the Debtor has equity in such assets following allocation of the IRS's first-priority lien. There are no other material assets of the Debtor to be liquidated in a proceeding under Chapter 7. Conversion of this case to a Chapter 7 case would result in the secured creditors exercising their rights under their respective tax lien or security agreement (except to the extent such creditor has been paid in full prior to the confirmation of the Debtor's plan) and there would be no unencumbered assets available for liquidation for the benefit of the Debtor's unsecured creditors. Further, conversion of this case would add an additional layer of administrative expenses to be paid before distribution to unsecured creditors, consisting of Chapter 7 trustee commissions and trustee's counsel fees. Although the balance sheet reflects a receivable due from Dr. George Stasior, this accounting entry reflects a true up of payments made to him over the years based on deferral of wage income when the practice could not render him a paycheck. Additionally, Dr. George Stasior filed a Chapter 13 petition in the United States Bankruptcy Court for the Northern District of New York on December 4, 2018. As a result, the Debtor believes this amount, to the extent due, is uncollectible. Finally, conversion of the case would result in cessation of the Debtor's practice and force patients to seek treatment elsewhere. Accordingly, it is likely that creditors would receive no distribution in a Chapter 7 case as opposed to the proposed dividend under the Plan.

The Debtor's balance sheet as of December 31, 2018 is attached hereto as Exhibit "B".

ARTICLE VIII

CONSIDERATIONS RELATING TO CONFIRMATION OF THE PLAN

Pursuant to the pertinent provisions of the Code, in order to obtain confirmation of the Plan, it must be accepted by:

1. All creditor classes except those which remain unimpaired.

2. Of those claimants who actually vote on the Plan, claimants holding allowed claims of at least two-thirds in dollar amount and who constitute more than one-half of the number of voting claimants in each class must vote to accept the Plan for that class to be deemed to have accepted the Plan.

3. Pursuant to the provisions of the Code, as long as the plan is accepted by the holders of claims in at least one impaired class, the Plan may be confirmed by the Court notwithstanding the existence of one or more dissenting classes by "cramming down" the various classes. While the provisions for effecting the "cram down" of a Plan are detailed and complex, the Court, upon request of the proponent of the Plan, may confirm the Plan if it does not discriminate unfairly against any creditor class and is fair and equitable with respect to the treatment of each dissenting class.

All creditors timely filing claims or listed on the Debtor's schedules of assets and liabilities filed with the Clerk of the Court who are not designated as contingent or disputed claimants are entitled to vote for acceptance or rejection of this Plan. An order or notice of the Court shall accompany this Disclosure Statement and Plan and will more fully detail creditors' rights with respect to balloting, time limitations and further conditions to be imposed by the Court upon the implementation of the Plan.

ARTICLE IX

OBJECTION TO CLAIMS

Disagreement may exist or arise concerning the amount owed by the Debtor to a particular creditor. Where the Debtor is aware of a discrepancy between the amount of a particular obligation as reflected in its records or on any other basis, it will attempt to amicably reconcile the differences through an exchange of information with such creditor, with the ultimate resolution to be subject to the Court's approval.

To the extent that agreement cannot be reached between the parties, it will be necessary for the Debtor, and the Debtor intends, to serve on such creditor and file and prosecute before the Court a formal objection to the allowance, the amount or classification of such claim in order to enable the Court to ultimately determine the allowability and/or amount or class of such claim through litigation of the Debtor's objections thereto.

The Debtor shall have the right to object to claims until thirty (30) days following the Effective Date of the Plan (as defined in the Plan).

In order to preserve potential assets of the estate for the benefit of the Debtor and its creditors, and pursuant to Code Section 1123(b)(3), the Debtor has the option of asserting claims against its creditors available in the nature of set offs, either by way of objections to claims timely made, or in an appropriate judicial proceeding commenced with the Court either prior to or subsequent to confirmation of the Plan. If such claims or objections are asserted by the Debtor against a claimant either prior or subsequent to confirmation, the payments or distribution attributable to that claimant's allowed claim or a portion thereof cannot be effected or made by the Debtor until it has obtained a judgment, order or other Court authorizations in regard thereto.

IF THE DEBTOR MAKES A TIMELY OBJECTION TO ANY CLAIM, THE UNDISPUTED PORTION OF SUCH CLAIM, IF ANY, SHALL BE TREATED AS AN ALLOWED CLAIM FOR THE PURPOSES OF PAYMENT OR DISTRIBUTION UNDER THE PLAN, AND THE CREDITOR WILL RECEIVE TIMELY PAYMENT UNDER THE PLAN IN REGARD TO SUCH UNDISPUTED PORTION OF ITS CLAIM.

To the extent that a creditor successfully defends the Debtor's objection to its claim, in whole or in part, it will receive the appropriate distribution plus all interest earned, if any, on the amount of such monies constituting such payment to the creditor. These monies will have been the subject of a special deposit or reserved account made or maintained on behalf of the creditor.

Where the Debtor is successful in whole or in part in disputing a claim, it will receive a refund of the monies deposited or reserved on account of the disputed portion of any claim, plus any interest actually earned on such funds.

ALL CREDITORS ARE ENCOURAGED TO ATTEMPT TO RECONCILE THEIR CLAIMS WITH THE DEBTOR PRIOR TO CONFIRMATION WHERE POSSIBLE.

ARTICLE X

CAUSES OF ACTION

The Reorganized Debtor shall retain any and all causes of action, including all defenses and counterclaims to such actions, whether or not such actions are pending.

ARTICLE XI

FUNDS NEEDED BY THE DEBTOR UPON CONFIRMATION

The Plan provides for payments over time to creditors from the Debtor's operations. In addition, the Debtor has sufficient funds on hand with which to pay allowed, administrative claims or has otherwise made arrangements for payment of such claims on terms acceptable to such administrative claimant. Accordingly, based on the income and expense projections attached hereto, the Debtor will have sufficient funds available to fund the Plan as of the Effective Date.

ARTICLE XII

FINANCIAL INFORMATION

Available upon request are the Debtor's monthly financial reports which have been filed with the Court and the Office of the United States Trustee since the filing of the Debtor's petition for relief. Parties desiring copies of these monthly reports should contact the Debtor's attorneys, Nolan & Heller, LLP, 39 North Pearl Street, Albany, New York 12207, Attention: Francis J. Brennan, Esq.

ARTICLE XIII

DISCHARGE, BINDING EFFECT, EXCULPATION AND REVESTING OF PROPERTY

A. Discharge. The Debtor shall be deemed discharged pursuant to §1141(d) of the Code with respect to each Class upon confirmation of the Plan, regardless as to whether holders of claims in each Class shall have filed proofs of claim in the within case or have accepted the Plan. Subject to the preceding sentence, upon payment in full of the amounts provided for under this Plan with respect to each Class, the claims of each such Class shall be deemed satisfied in full.

Upon confirmation of the Debtor's Plan, all parties asserting a claim against the Debtor which arose prior to the filing of the Debtor's petition shall be precluded from asserting any such claim against the Debtor, the Reorganized Debtor, or their successors and/or assigns. Except as otherwise provided in the Plan or the order confirming the Plan, the order confirming the Plan shall act as a discharge of any and all claims and liabilities of the Debtor as provided in 11 U.S.C. §524 or §1141 and such discharge shall void against the Debtor any judgment obtained to the extent that it relates to a claim discharged pursuant to the Plan, except as otherwise provided for herein.

All parties that have held or that hold or may hold a claim against the Debtor are permanently enjoined from taking any of the following actions on account of such claims: (a) commencing or continuing in any manner any action or proceeding against the Debtor; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor; (c) creating, perfecting or enforcing any lien or encumbrance against the Debtor; (d) asserting any setoff or any right of subrogation or recoupment against the Debtor of any kind against any obligation due the Debtor; and (e) commencing or continuing any action in any manner, in any place, that does not comply with or is inconsistent with the Plan or order confirming the Plan.

The Debtor injured by any willful violation of such injunction shall recover actual damages, including attorneys' fees and costs, and, in proper circumstances, may recover punitive damages from such willful violator.

B. Binding Effect. On the Effective Date, according to § 1141 of the Bankruptcy Code, the provisions of this Plan will bind the Debtor, any entity acquiring Assets under this Plan, and any holder of a Claim, whether or not the Claim is Impaired under this Plan and whether or not the holder of the Claim has accepted this Plan.

C. Exculpation. The Debtor and its respective representatives, employees, advisors, attorneys and agents acting in such capacity shall have no liability whatsoever to any holder or purported holder of a Claim, or any other entity for any act or omission in connection with, or arising out of, this Plan, the negotiation of this Plan, the pursuit of approval of the Plan pursuant to 11 U.S.C. §1125(f) or the solicitation of votes for confirmation of this Plan, the consummation of this Plan, the administration of this Plan or the property to be distributed under this Plan, or any transaction contemplated by this Plan or in furtherance thereof, except for willful misconduct or gross negligence as determined by a Final Order, and, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

D. Revesting. Except as otherwise provided for herein, as of the Effective Date, the Reorganized Debtor will be vested with all Assets free and clear of all Claims, Liens, security interests, assignments, encumbrances, charges, and other interests of claimants except for the Class 1 Secured Claim of the Internal Revenue Service and the partially secured Class 2 claim of NBT Bank. As of the Effective Date, the Reorganized Debtor may operate and use the Assets free of any restrictions imposed by the Bankruptcy Code except as may be specifically set forth in this Plan and in all respects as if there were no pending Reorganization Case.

ARTICLE XIV

MODIFICATION TO THE PLAN

The Debtor may propose amendments to or modifications of the Plan at any time prior to confirmation, without leave of the Court. After confirmation, the Debtor may, with Court approval, do so long as it does not materially or adversely affect the interests or creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the order of the confirmation in any such manner as may be necessary to carry out the provisions of this Plan.

ARTICLE XV

POST-CONFIRMATION OBLIGATIONS OF THE DEBTOR

Subsequent to the confirmation of the Debtor's Plan, the Debtor shall take all steps necessary to implement the Plan pursuant to 11 U.S.C. §1142. Upon the Debtor's implementation of the confirmed Plan, and pursuant to Local Rule 3022-1 and Federal Rule of Bankruptcy Procedure 3022, the Debtor shall file its report of substantial consummation stating that the Debtor has satisfied the criteria of and shall petition the Court for a final decree pursuant to 11 U.S.C.

§350 and Federal Rule of Bankruptcy Procedure 3022. Prior to the entry of a final decree by the Court, the Debtor shall continue to be obligated to file monthly operating reports and to pay quarterly fees to the United States Trustee's Office pursuant to 28 U.S.C. §1930 and to perform all other obligations required under the United States Trustee's Operating Guidelines.

ARTICLE XVI

RETENTION OF JURISDICTION

The Bankruptcy Court will retain jurisdiction of all matters arising out of or related to the Case and this Plan as long as necessary for the purposes of §§ 105(a), 1127, 1142(a) and 1144 of the Bankruptcy Code and for, *inter alia*, the following non-inclusive purposes:

- to decide any objections to the allowance, disallowance or subordination of Claims or a controversy as to the classification of Claims;
- to decide and fix (i) all Administrative Claims, (ii) Claims arising from the rejection of any executory contracts or unexpired leases, (iii) Liens on any Assets or any proceeds thereof, and (iv) any other fee and expense authorized to be paid or reimbursed under the Bankruptcy Code;
- to liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any Disputed, contingent or unliquidated Claims;
- to adjudicate any matters as may be provided for in the Confirmation Order;

to effectuate Distributions under and enforce the Plan;

- to hear and determine any pending applications, adversary proceedings or contested matters including all controversies, suits and disputes that may arise in connection with the interpretation or enforcement of this Plan, and matters concerning state, local and federal taxes according to §§ 346, 505 and 1146 of the Bankruptcy Code;

- to amend or to correct any defect, cure any omission or reconcile any inconsistency in this Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of this Plan;

- to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated;

- to consider any modification of this Plan pursuant to § 1127 of the Bankruptcy Code or modification of the Plan after substantial consummation, as such term is defined in § 1101(2) of the Bankruptcy Code;

- to determine such other matters as may be provided for in the Confirmation Order or as may be authorized under the provisions of the Bankruptcy Code to the maximum extent of its jurisdiction; and

- to enter a final decree closing the case.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Dated: February 11, 2019

Respectfully Submitted,

NOLAN & HELLER, LLP
Attorneys for the Debtor

By: ______________________
Francis J. Brennan, Esq.
39 North Pearl Street
Albany, New York 12207
(518) 449-3300

Dated: February 11, 2019

ALBANY EYE PHYSICIANS & SURGEONS, P.C. d/b/a STASIOR & STASIOR EYE CARE,

By: ______________________
Dr. Orkan G. Stasior
President and Sole Shareholder

EXHIBIT "A"

Albany Eye Physicians & Surgeons, P.C., d/b/a Stasior & Stasior Eye Care-Income and Expense Projections

	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019*	Feb. 2019	Mar. 2019	Apr. 2019	May-19	Jun-19	Jul-19	Aug-19	Sept. 2019
Income												
Service Income	$ 32,549.79	$ 42,274.05	$ 29,944.72	$ 35,000.00	$ 35,000.00	$ 37,000.00	$ 37,000.00	$ 40,000.00	$ 35,000.00	$ 37,000.00	$ 42,000.00	$ 35,000.00
Other Income	$ 21,314.62											
Total Income	$ 53,864.41	$ 42,274.05	$ 29,944.72	$ 35,000.00	$ 35,000.00	$ 37,000.00	$ 37,000.00	$ 40,000.00	$ 35,000.00	$ 37,000.00	$ 42,000.00	$ 35,000.00
Expenses												
Salaries	$ 16,134.17	$ 16,390.26	$ 17,131.27	$ 16,500.00	$ 16,500.00	$ 16,500.00	$ 16,500.00	$ 16,500.00	$ 16,500.00	$ 16,500.00	$ 16,500.00	$ 16,500.00
Payroll Taxes	$ 1,326.57	$ 1,332.89	$ 1,370.22	$ 1,342.00	$ 1,342.00	$ 1,342.00	$ 1,342.00	$ 1,342.00	$ 1,342.00	$ 1,342.00	$ 1,342.00	$ 1,342.00
Medical Supplie	$ 181.57	$ 7,634.10	$ 1,301.21	$ 500.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00
Advertising	$ 124.60	$ 320.00	$ 320.00	$ 200.00	$ 200.00	$ 200.00	$ 200.00	$ 200.00	$ 200.00	$ 200.00	$ 200.00	$ 200.00
Bank Svc. Chgs	$ 123.54	$ 243.35	$ 184.66	$ 150.00	$ 150.00	$ 150.00	$ 150.00	$ 150.00	$ 150.00	$ 150.00	$ 150.00	$ 150.00
Comp./Internet	$ 1,438.50		$ 722.60	$ 800.00	$ 800.00	$ 800.00	$ 800.00	$ 800.00	$ 800.00	$ 800.00	$ 800.00	$ 800.00
Payroll Svc	$ 201.56	$ 178.59	$ 193.69	$ 180.00	$ 180.00	$ 180.00	$ 180.00	$ 180.00	$ 180.00	$ 180.00	$ 180.00	$ 180.00
Insurance Exp												
Health	$ 1,969.27		$ 3,958.54	$ 3,256.00	$ 3,256.00	$ 3,256.00	$ 3,256.00	$ 3,256.00	$ 3,256.00	$ 3,256.00	$ 3,256.00	$ 3,256.00
Gen. Liab.				$ 2,958.39	$ 2,958.39	$ 2,958.39	$ 2,958.39	$ 2,958.39	$ 2,958.39	$ 2,958.39	$ 2,958.39	$ 2,958.39
Malpractice		$ 5,749.54	$ 733.00	$ 3,449.00	$ 3,449.00	$ 3,449.00	$ 3,449.00	$ 3,449.00	$ 3,449.00	$ 3,449.00	$ 3,449.00	$ 3,449.00
Postage/Delivery		$ 40.00										
Office Supplies	$ 154.58	$ 107.64	$ 274.93	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00
Rent Exp.	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 4,540.56
Telephone Exp	$ 411.96		$ 684.11	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00
Dues/Licenses		$ 9.00	$ 10.08	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00	$ 15.00
Contract Labor			$ 1,225.00									
Professional Fees			$ 8,214.36	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00
Total Expenses	$ 26,606.88	$ 36,545.93	$ 40,864.23	$ 34,990.95	$ 35,490.95	$ 35,490.95	$ 35,490.95	$ 35,490.95	$ 35,490.95	$ 35,490.95	$ 35,490.95	$ 35,490.95
Net Income	$ 27,257.53	$ 5,728.12	$ (10,919.51)	$ 9.05	$ (490.95)	$ 1,509.05	$ 1,509.05	$ 4,509.05	$ (490.95)	$ 1,509.05	$ 6,509.05	$ (490.95)
Plan Payments												
Admin							$ 750.00	$ 750.00	$ 750.00	$ 750.00	$ 750.00	$ 750.00
Class 1							$ 2,120.16	$ 2,120.16	$ 2,120.16	$ 2,120.16	$ 2,120.16	$ 2,120.16
Class 2							$ 1,105.29	$ 1,105.29	$ 1,105.29	$ 1,105.29	$ 1,105.29	$ 1,105.29
Class 3							$ 256.83	$ 256.83	$ 256.83	$ 256.83	$ 256.83	$ 256.83
Class 4							$ 5.50					
Class 5							$ 1,135.48					
Class 6							$ -	$ -	$ -	$ -	$ -	$ -
Class 7							$ -	$ -	$ -	$ -	$ -	$ -
Total Play Payments							$ 5,373.26	$ 4,232.28	$ 4,232.28	$ 4,232.28	$ 4,232.28	$ 4,232.28

*Jan 2019 -2024 Income and Expenses Estimated

Albany Eye Phys

	Oct. 2019	Nov. 2019	Dec. 2019	2020	2021	2022	2023	2024
Income								
Service Income	$ 37,000.00	$ 42,000.00	$ 38,000.00	$ 456,000.00	$ 467,400.00	$ 479,085.00	$ 491,062.13	$ 503,338.68
Other Income								
Total Income	$ 37,000.00	$ 42,000.00	$ 38,000.00	$ 456,000.00	$ 467,400.00	$ 479,085.00	$ 491,062.13	$ 503,338.68
Expenses								
Salaries	$ 16,500.00	$ 16,500.00	$ 16,500.00	$ 198,000.00	$ 201,960.00	$ 208,018.80	$ 214,259.36	$ 220,687.14
Payroll Taxes	$ 1,342.00	$ 1,342.00	$ 1,342.00	$ 16,104.00	$ 16,426.08	$ 16,918.86	$ 17,426.43	$ 17,949.22
Medical Supplie	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 12,000.00	$ 12,240.00	$ 12,484.80	$ 12,734.50	$ 12,989.19
Advertising	$ 200.00	$ 200.00	$ 200.00	$ 2,400.00	$ 2,448.00	$ 2,496.96	$ 2,546.90	$ 2,597.84
Bank Svc. Chgs	$ 150.00	$ 150.00	$ 150.00	$ 1,800.00	$ 1,836.00	$ 1,872.72	$ 1,910.17	$ 1,948.38
Comp./Internet	$ 800.00	$ 800.00	$ 800.00	$ 816.00	$ 832.32	$ 848.97	$ 865.95	$ 883.26
Payroll Svc	$ 180.00	$ 180.00	$ 180.00	$ 2,160.00	$ 2,160.00	$ 2,160.00	$ 2,160.00	$ 2,160.00
Insurance Exp								
Health	$ 3,256.00	$ 3,256.00	$ 3,256.00	$ 39,072.00	$ 39,072.00	$ 39,072.00	$ 39,072.00	$ 39,072.00
Gen. Liab.	$ 2,958.39	$ 2,958.39	$ 2,958.39	$ 35,500.68	$ 35,500.68	$ 35,500.68	$ 35,500.68	$ 35,500.68
Malpractice	$ 3,449.00	$ 3,449.00	$ 3,449.00	$ 41,388.00	$ 42,215.76	$ 43,060.08	$ 43,921.28	$ 44,799.70
Postage/Deliver								
Office Supplies	$ 100.00	$ 100.00	$ 100.00	$ 102.00	$ 104.04	$ 106.12	$ 108.24	$ 110.41
Rent Exp.	$ 4,540.56	$ 4,540.56	$ 4,540.56	$ 54,486.72	$ 54,486.72	$ 54,486.72	$ 54,486.72	$ 54,486.72
Telephone Exp	$ 500.00	$ 500.00	$ 500.00	$ 510.00	$ 520.20	$ 530.60	$ 541.22	$ 552.04
Dues/Licenses	$ 15.00	$ 15.00	$ 15.00	$ 180.00	$ 180.00	$ 180.00	$ 180.00	$ 180.00
Contract Labor				$ -				
Professional Fee	$ 500.00	$ 500.00	$ 500.00	$ 6,000.00	$ 6,000.00	$ 6,000.00	$ 6,000.00	$ 6,000.00
Total Expenses	$ 35,490.95	$ 35,490.95	$ 35,490.95	$ 410,519.40	$ 415,981.80	$ 423,737.31	$ 431,713.44	$ 439,916.58
Net Income	$ 1,509.05	$ 6,509.05	$ 2,509.05	$ 45,480.60	$ 51,418.20	$ 55,347.69	$ 59,348.68	$ 63,422.10
Plan Payments								
Admin	$ 750.00	$ 750.00	$ 750.00					
Class 1	$ 2,120.16	$ 2,120.16	$ 2,120.16	$ 25,441.92	$ 25,441.92	$ 25,441.92	$ 25,441.92	
Class 2	$ 1,105.29	$ 1,105.29	$ 1,105.29	$ 13,263.48	$ 13,263.48	$ 13,263.48	$ 13,263.48	$ 13,263.48
Class 3	$ 256.83	$ 256.83	$ 256.83	$ 3,081.96	$ 3,081.96	$ 3,081.96	$ 3,081.96	
Class 4					$ -	$ -	$ -	
Class 5					$ -	$ -	$ -	
Class 6	$ -	$ -	$ -		$ -	$ -	$ -	
Class 7	$ -	$ -	$ -		$ -	$ -	$ -	
Total Play Paym	$ 4,232.28	$ 4,232.28	$ 4,232.28	$ 41,787.36	$ 41,787.36	$ 41,787.36	$ 41,787.36	$ 13,263.48

*Jan 2019 -2024

EXHIBIT "B"

9:20 AM
01/14/19
Cash Basis

Albany Eye Physicians
Balance Sheet
As of December 31, 2018

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
NBT -Debt in Poss 4791	23,742.54
NBT BANK	158.12
Total Checking/Savings	23,900.66
Accounts Receivable	
Accounts Receivable	35,009.96
Total Accounts Receivable	35,009.96
Other Current Assets	
PR tax refund receivable	61,513.38
Due from George Stasior	153,088.88
Total Other Current Assets	214,602.26
Total Current Assets	273,512.88
Fixed Assets	
Furniture and Equipment	12,758.93
Medical Equipment	539,615.19
Accumulated Depreciation	-535,856.00
Total Fixed Assets	16,518.12
Other Assets	
Security Deposits Asset	3,723.00
Total Other Assets	3,723.00
TOTAL ASSETS	293,754.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
LOAN FROM NBT	124,238.32
LOC-NBT overdraft	18,110.02
IRS Liability	119,327.61
Total Other Current Liabilities	261,675.95
Total Current Liabilities	261,675.95
Long Term Liabilities	
Due to Gloria Stasior	381,401.96
Due to Orkan Stasior	216,539.95
Total Long Term Liabilities	597,941.91
Total Liabilities	859,617.86
Equity	
Capital Stock	62,500.00
Retained Earnings	-676,013.67
Net Income	47,649.81
Total Equity	-565,863.86
TOTAL LIABILITIES & EQUITY	293,754.00