

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

-----X

In re:

BUHRE BEVERAGE DISTRIBUTION, INC.,

Chapter 11

Case No. 14-22048 (RDD)

Debtor.

-----X

**AMENDED DISCLOSURE STATEMENT
PURSUANT TO SECTION 1125
OF THE BANKRUPTCY CODE**

SEPTEMBER 29, 2017

**PENACHIO MALARA LLP
Counsel to the Debtor
235 Main Street
White Plains, NY 10601
(914) 946-2889**

Table of Contents

I. Plan Summary and Key Considerations	1
A. The Debtor and Background	2
B. The Plan.....	4
C. Key Considerations	4
D. Acceptance or Rejection Procedure	5
II. Definitions	6
III. Introduction.....	6
A. Ballots Required	7
B. Acceptance or Rejection Procedure	7
IV. General Information.....	9
A. Description of Business.....	9
B. Current Bankruptcy Case	10
C. Assets	10
D. Stern and the Third Party Action.....	10
E. Bar Date and Claims	11
F. Formulation of the Plan.....	11
G. The Plan.....	11
V. The Debtor’s Chapter 11 Plan of Liquidation.....	14
A. Classification and Treatment of Claims and Interests.....	14
B. Rejection of Executory Contracts	15
C. Bar Date for Rejection Damages.....	15
D. Means of Implementation.....	15
VI. Confirmation and Consummation Procedure	18

- B. Confirmation Hearing20
- C. Confirmation21
- D. Consummation27
- VII. Directors and Officers 27
- VIII. Exculpation and Limitation of Liability..... 27
- IX. Release of Sapra, Penachio and Penachio Malara from the Stern Action 28
- X. Federal Income Tax Consequences..... 28
 - A. Tax Consequences of Plan28
- XI. Alternatives to Confirmation and Consummation of the Plan..... 30
 - A. Liquidation Under Chapter 7.....30
- XII. Conclusion..... 31

I. Plan Summary and Key Considerations

The following summary contained in this Article I is qualified in its entirety by the more detailed information appearing elsewhere in this Disclosure Statement. All capitalized terms contained in this Disclosure Statement shall, unless otherwise defined herein, have the meanings ascribed to such capitalized terms in Article II, "Definitions," of the Debtor's Chapter 11 Liquidating Plan (the "Plan"). A copy of the Plan is annexed hereto as Exhibit A.

The Debtor is seeking acceptance of the Plan by holders of Allowed Unsecured Insider Claims.

The Debtor has prepared this Disclosure Statement in connection with its solicitation of acceptances of the Plan.

The Plan is proposed by the Debtor.

The Debtor believes that the Plan will yield an ultimate dividend estimated at 100% to Allowed Unsecured Non-Insider Claims and approximately 25% to the holders of Allowed Unsecured Insider Claims in Class 4.

The Debtor believes that:

1. the Plan provides the best possible result for the holders of Claims and Interests;
2. with respect to Unsecured Claims, the distributions under the Plan are greater than the amounts that would be received if the Debtor was liquidated under Chapter 7; and
3. acceptance of the Plan is in the best interests of the holders of Claims.

THE DEBTOR APPROVES OF AND SUPPORTS THE TERMS OF THE PLAN. THE DEBTOR RECOMMENDS ACCEPTANCE OF THE PLAN.

ALL HOLDERS OF CLAIMS IN CLASS 4 MUST COMPLETE AND RETURN THEIR BALLOTS TO ACCEPT OR REJECT THE PLAN.

The Bankruptcy Court will hold a hearing (the “Confirmation Hearing”) on confirmation of the Plan, at which time the Bankruptcy Court will consider objections to confirmation, if any, at 10:00 a.m. on October 30, 2017 in the United States Bankruptcy Court, Charles L. Brieant, Jr. Federal Building and Courthouse, 300 Quarropas Street, White Plains, NY 10601. The Confirmation Hearing may be adjourned from time to time without notice other than the announcement of an adjourned date on the scheduled date of the Confirmation Hearing. Objections to confirmation of the Plan, if any, must be in writing and signed and filed as described in Article VI (Confirmation and Consummation Procedure), below.

A. The Debtor and Background

The Debtor is a New York Corporation that has been engaged primarily in the distribution of beverages for many years. The beverages are supplied by Pepsi-Cola Bottling Company of N. Y., Inc. (“Pepsi Bottling”) in accordance with a distribution agreement pursuant to which the Debtor had exclusive rights to distribute Pepsi products in a sales route in the Bronx, New York (the “Route”). The Route was the Debtor’s primary asset and it and substantially all of its other assets were sold to Pelham Bay Beverages (the “Sale” and “Pelham Bay”) pursuant to an Order of the Bankruptcy Court. In connection with the Sale, the Debtor received approximately \$100,000.00 in up-front cash and a promissory note calling for payments totaling \$512,000 from Pelham Bay to the Debtor (the “Note”). A copy of the Note is annexed hereto as Exhibit B. Payments under the Note by Pelham Bay have been placed into a segregated account for the Debtor. Payments have been made regularly by Pelham Bay. The Debtor intends to devote the payments made under the Note to paying its creditors under the Plan.

Before August 2013, William Sanchez (“Sanchez”) owned all of the stock of the Debtor. In or about August 2013 he transferred all or substantially all of the Debtor’s stock to Bhaveen Sapra, directly or indirectly (together “Sapra”). The purchase price was \$1,275,000. The initial portion of the sale price –\$275,000 – was paid in December 2012 in the form of a check in the amount of \$175,000 and \$100,000 in cash. The balance of the purchase price was payable in installments. The transfer of either the assets of the Debtor or the stock of the Debtor had to be approved by Pepsi Bottling. Sanchez and Sapra dispute how the transaction was structured to account for this requirement as well as the extent of any security interest Sanchez had in the Debtor’s assets. The bulk of the foregoing matters are the subject of a pending Adversary Proceeding. The Adversary Proceeding will be dismissed under the Plan as Sanchez and Sapra have agreed to settle their disputes on the terms described herein and as set forth in the Plan.

In resolution of their dispute, Sanchez has agreed that he will not object to Sapra’s Claim against the Debtor and to its treatment as an Allowed Unsecured Class 4 Insider Claim and Sapra agrees that he will not object to Sanchez’s Claim against the Debtor and to its treatment as an Allowed Unsecured Class 4 Insider Claim. As a result, both of the Claims will be classified as the sole Class 4 Claims under the Plan and each will receive a Pro Rata share of the funds available with respect to those claims, which the Debtor believes will be approximately 25% of the amount of the Allowed Claims. In addition, Sanchez agrees that \$15,000.00 to which he is entitled under the Plan shall be paid to Sapra within 6 months of the Effective Date. In furtherance of the Plan, Penachio Malara, counsel for the Debtor, agrees to (i) pay to Sapra \$10,000.00 of its Allowed Administrative Claim to Sapra on the Effective Date and (ii) limit its Administrative Claim to no more than \$95,000.00.

B. The Plan

The Plan is a liquidating plan. The Debtor will fund the Plan exclusively with the proceeds of the Sale to Pelham Bay, including amounts collected under the Note. The Plan is predicated upon the disallowance of Sanchez's Claim as a Secured Claim and the allowance of his Claim as an Allowed Unsecured Insider Claim which will be included in Class 4. Sapra's Claim will similarly be treated as an Allowed Unsecured Insider Claim.

There are four classes of creditors: Holders of Allowed Secured Claims (Class 1), Holders of Allowed Priority Claims (Class 2), Holders of Allowed Unsecured Non-Insider Claims (Class 3) and Holders of Allowed Unsecured Insider Claims (Class 4). Holders of (i) Allowed Secured Claims, (ii) Allowed Priority Claims, and (iii) Allowed Unsecured Non-Insider Claims will be paid in full on the Effective Date. With respect to holders of Allowed Unsecured Insider Claims, (Class 4) the Debtor is seeking their acceptance of the Plan. The Plan provides that the Holders of Allowed Unsecured Insider Claims against the Debtor shall be paid the Pro Rata portion of available Cash arising from the liquidation of the Debtor's assets less any payments on account of post-Confirmation expenses, Administrative Expenses, Allowed Secured Claims, Allowed Priority Claims and Allowed Unsecured Non-Insider Claims. The ultimate distribution to Allowed Unsecured Insider Claims in Class 4 is estimated to be approximately 25% without interest on any such Claim, but it may be higher depending on the extent of Claims. For a discussion of the treatment of all Classes of Claims, see Article III: Treatment of Claims and Interests of the Plan.

C. Key Considerations

The Plan was designed to provide the Holders of the Allowed Unsecured Insider Claims an opportunity to recover on their Allowed Claims.

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE BEST POSSIBLE RESULT FOR THE HOLDERS OF CLAIMS AND INTERESTS, AND THEREFORE BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE HOLDERS OF CLAIMS AND INTERESTS AND RECOMMENDS THAT YOU ACCEPT THE PLAN.

D. Acceptance or Rejection Procedure

The Debtor is seeking the acceptance of the Plan only by the holders of the Allowed Class 4 Unsecured Insider Claims, whose Claims are impaired by the provisions of the Plan. Because Classes 1, 2 and 3 are not impaired under the Plan, they are deemed to have voted to accept the Plan and their votes are not being solicited. Because the holder of an Interest will receive nothing in the Plan for that Interest, he is deemed to have rejected the Plan.

A Ballot to be used to accept or reject the Plan has been enclosed with all copies of this Disclosure Statement transmitted to Holders of Class 4 Claims, whose votes are being solicited hereunder.

No statements or information concerning the Debtor (particularly as to results of operations or financial condition, or with respect to the distributions to be made under the Plan) or any of the respective assets or business of the Debtor may be made (or should be relied upon) other than as set forth in this Disclosure Statement and accompanying Ballot. The statements and information about the Debtor and the financial statements of the Debtor included in this Disclosure Statement have been prepared by the Debtor. After carefully reviewing this Disclosure Statement and the Exhibits hereto, please indicate acceptance or rejection on the enclosed Ballot.

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED BY 5:00 P.M. NEW YORK CITY TIME ON OCTOBER 23, 2017. BALLOTS SHOULD BE MAILED, FAXED, E-MAILED OR DELIVERED TO: ANNE PENACHIO, ESQ., PENACHIO MALARA LLP, 235 MAIN STREET, WHITE PLAINS, NY 10601; FAX NUMBER: (914) 946-2882; E-MAIL: APENACHIO@PMLAWLLP.COM.

THE FOREGOING IS A SUMMARY. THIS DISCLOSURE STATEMENT AND THE EXHIBITS HERETO SHOULD BE READ IN THEIR ENTIRETY BY ALL HOLDERS OF CLAIMS AND INTERESTS WHO ARE ENTITLED TO VOTE IN DETERMINING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

II. Definitions

The Plan sets forth various defined terms. Unless the context requires otherwise, the definitions used herein shall have the meanings set forth in the Plan. Whenever it appears appropriate from the context of usage, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

III. Introduction

The Debtor submits this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code (Title 11 of the U.S. Code, the "Code") in connection with its solicitation of acceptances of the Plan. The purpose of this Disclosure Statement, including the Exhibits hereto, is to provide holders of Claims and Interests who are entitled to vote to accept or reject the Plan and whose votes are being solicited hereunder with adequate information concerning the Plan to permit such holders to make an informed judgment as to whether to vote to accept the Plan. Under section 1124 of the Code, (a) any Creditor or holder of an Interest whose legal, contractual or equitable rights are not altered by the proposed treatment under the Plan or (b) any Creditor or holder or an Interest with respect to which the Plan provides for the curing of any default, reinstatement of maturity, and compensation for damages and does not otherwise alter the legal, equitable or contractual rights of the holder of such Claim or Interest holds a Claim or Interest in a class that is not impaired

and as such is conclusively presumed pursuant to section 1126(f) of the Code to have accepted the Plan and solicitation of the Plan is not required.

In accordance with section 1123(a)(1) of the Code, Administrative Expenses are not included in classes and those who have incurred them are not entitled to accept or reject the Plan. All Allowed Secured Claims (Class 1), Allowed Priority Claims (Class 2) and Allowed Unsecured Non-Insider Claims (Class 3) are unimpaired under the Plan. Allowed Unsecured Insider Claims (Class 4) are impaired under the Plan. To the extent that claims in Class 1, 2, and 3 are in dispute, the portion of the claim that is disputed shall be placed in reserve pending resolution of such dispute.

Allowed Interests (Class 5) receive nothing under the Plan and are therefore deemed to have rejected the Plan under section 1126(g) of the Code. (*See* Article V: Acceptance Or Rejection of the Plan of the Plan for a complete description of the requirements for acceptance of the Plan.)

A. Ballots Required

ALL HOLDERS OF ALLOWED UNSECURED INSIDER CLAIMS (CLASS 4) MUST COMPLETE AND RETURN THEIR BALLOTS TO VOTE TO ACCEPT OR REJECT THE PLAN.

B. Acceptance or Rejection Procedure

Ballots have been provided for holders of Allowed Unsecured Insider Claims. Completed Ballots should be mailed, sent by facsimile, e-mailed or delivered to Anne Penachio, Esq., Penachio Malara LLP, 235 Main Street, White Plains, NY 10601; fax number: (914) 946-2882; e-mail: apenachio@pmlawllp.com.

Pursuant to Rule 3018(a) of the Bankruptcy Rules, once a ballot has been delivered, the person delivering such ballot may not thereafter change his acceptance or rejection of the Plan,

except that the Bankruptcy Court, for cause shown and after notice and a hearing, may permit a holder of a Claim or Interest to change or withdraw an acceptance or rejection.

THE ACCEPTANCE OR REJECTION OF EACH HOLDER OF A CLASS 4 CLAIM IS IMPORTANT. TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED BY PENACHIO MALARA LLP, COUNSEL TO THE DEBTOR, 235 MAIN STREET, WHITE PLAINS, NY 10601 (ATTENTION: ANNE PENACHIO, ESQ.), E-MAIL APENACHIO@PMLAWLLP.COM, FAX NUMBER (914) 946-2882, NOT LATER THAN 5:00 P.M., NEW YORK CITY TIME ON OCTOBER 23, 2017.

Section 1129(a) of the Code allows the Bankruptcy Court to confirm the Plan if certain conditions have been met and if each class of Claims or Interest that is impaired under the Plan has accepted the Plan. Under section 1126(c) of the Code, a class of claims has accepted a plan if such plan has been accepted by creditors in that class that hold (i) at least two-thirds in dollar amount and (ii) more than one-half in number of the Allowed Claims of such class held by creditors that have accepted or rejected such plan, excluding holders whose acceptances or rejections were not in good faith.

Section 1129(b) of the Code permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more of the classes of claims or interests impaired thereunder if (i) at least one impaired class of claims accepts the plan (excluding any acceptances of “insiders,” as such term is defined in section 101 of the Code) and (ii) the Bankruptcy Court finds that, with respect to the non-accepting class or classes, the plan does not discriminate unfairly and is fair and equitable.

No statement or information concerning the Debtor (particularly results of operations or financial condition, or with respect to distributions to be made under the Plan or any of the respec-

tive assets or business of the Debtor) is authorized other than as set forth in this Disclosure Statement and accompanying ballot. The statements and information about the Debtor and the financial statements of the Debtor contained herein have been prepared by the Debtor.

The Bankruptcy Court, pursuant to section 1128 of the Code, has scheduled a hearing to consider the confirmation of the Plan and objections to confirmation, if any, to be held on October 30, 2017 at 10:00 a.m. before the Honorable Robert D. Drain, United States Bankruptcy Judge at the United States Bankruptcy Court, The Charles L. Briant, Jr. Federal Building and Courthouse, 300 Quarropas Street, White Plains, New York, New York 10601. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made on the scheduled date for the Confirmation Hearing. Objections to confirmation of the Plan, if any, must be in writing and filed and served as described below under Article VI: Confirmation and Consummation Procedure of the Plan.

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE BEST POSSIBLE RESULT FOR HOLDERS OF CLAIMS AND INTERESTS. THE DEBTOR THEREFORE BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF HOLDERS OF CLAIMS AND INTERESTS AND RECOMMENDS THAT YOU ACCEPT THE PLAN.

IV. General Information

A. Description of Business

The Debtor has no current business activity. Pre-petition, the Debtor was engaged in the ownership and operation of the Route. The Route was sold under the supervision of this Court in the context of the Debtor's Chapter 11 case. A copy of the Court Order approving the Sale is annexed hereto as Exhibit C.

B. Current Bankruptcy Case

On or about January 13, 2014, a voluntary petition under Chapter 11 of the Code was filed and this case commenced by the Debtor. No Creditors' Committee, Trustee, or Examiner was appointed.

C. Assets

At this time, the Debtor's sole assets are (i) Cash totaling \$183,736.48 as of September 15, 2017 derived from the Sale of the Route and (ii) amounts due under the Note as of September 15, 2017 which are projected to total \$ 517265.84 (91 payments of \$5,684.25) as of September 15, 2017.

The Debtor believes that while it may hold claims against Sanchez, Sanchez may be entitled to a set-off of amounts allegedly due to him. Given the tenuous nature of the litigation, as part of the Plan the Debtor has agreed not to assert claims against Sanchez or Sapra and to treat the claims of both Sanchez and Sapra as Allowed Class 4 Unsecured Insider Claims.

After a review of its records, the Debtor does not believe that it holds any other claims or causes of actions, including avoidance actions under sections 546 and 547 of the Code. As such, the Debtor does not anticipate any recovery of any proceeds from causes of action.

D. Stern and the Third Party Action

Sanchez commenced a legal malpractice action against Alan Stern ("Stern") his former counsel for recovery of his losses emanating from the sale of the Debtor's business to Sapra. Such action is pending in New York State Supreme Court, Nassau County. In the context of that action, Stern commenced a third party proceeding against, among others, Penachio Malara, Penachio, Sapra, and John Laterra, Sapra's counsel pre-petition (defined in the Plan as the "Stern

Action”). By decision and order entered on September 8, 2017, the third party complaint was dismissed as to Penachio and Penachio Malara. A copy of the decision is annexed hereto as Exhibit D. The action was not dismissed as to Sapra. Sapra and Sanchez continue to negotiate a resolution of the Stern Action. To the extent that any resolution impacts distribution hereunder, the Disbursing Agent will be instructed accordingly.

E. Bar Date and Claims

The Bankruptcy Court entered an order requiring all creditors to file proofs of claim in the Bankruptcy Court by May 22, 2014.

According to the Debtor, there are no creditors other than those that have timely filed proofs-of-claim, except for Administrative Claims and fees due to the Office of the United States Trustee.

F. Formulation of the Plan

As set forth more fully below in Article VI, the Debtor believes that the terms and conditions of the Plan are far more favorable than the alternative of liquidation under Chapter 7 of the Code.

G. The Plan

The Plan will be funded with the proceeds of the Sale of the Route and amounts due under the Note. Distribution will be made to creditors as follows:

1. Administrative Claims

Administrative Claims consist of fees or commissions and expenses incurred by professionals retained by the Debtor. They will be paid, subject to Court approval and in accordance with an understanding between Class 4 creditors Sapra and Sanchez. .Administrative fees include fees

to counsel for the Debtor, Penachio Malara LLP, which, with expenses, the Debtor total at least \$120,000.00.

Applications for compensation shall be made at the Confirmation Hearing or within 30 days following the Effective Date of the Plan unless such time is extended for cause. The Court has already approved an interim application from the Debtor's counsel for approximately \$75,000 subject to a substantial holdback.

Penachio Malara, counsel to the Debtor has agreed to cap fees and expenses at \$95,000.00 notwithstanding the amount due and has agreed to pay over \$10,000.00 of that amount to Sapra on or before the earlier of the Effective Date or the date Penachio Malara's compensation is approved. This arrangement in furtherance of settlement of all disputes to provide Sapra with an immediate cash payment.

2. Allowed Secured Claims (Class 1)

Allowed Secured Claims will be paid in Cash on the Effective Date. Local 812 has filed a Secured Claim in the amount of \$16,727.70 for unpaid union benefits. Its Class 1 Secured Claim is Allowed under the Plan.

3. Allowed Priority Claims (Class 2)

Allowed Priority Claims will be paid in full in Cash on the Effective Date. Allowed Priority Claims consist of the priority portion of claims of (i) New York State and the IRS for unpaid taxes in the amounts of \$1,000.00 and \$1,923.00 respectively; (ii) the Department of Labor in the amount of \$132.23 and (iii) Local 812 in the amount of \$5,304.48 for unpaid union benefits. The aggregate amount of Allowed Priority Claims totals less than \$10,000.00.

4. Allowed Unsecured Non-Insider Claims (Class 3)

Allowed Unsecured Non-Insider Claims will be paid in full in Cash on the Effective Date. Such claims consist of the claim of Local 812 for \$28,377.06 and the claim of NYS Labor Department in the amount of \$370.00.

5. Allowed Unsecured Insider Claims (Class 4)

Subject to the further provisions and conditions of the Plan, all Allowed Unsecured Insider Claims (other than Administrative Claims, the amount owed to the Office of the United States Trustee, and Priority Claims) shall be paid the Pro Rata portion of the Cash on hand and amounts collected under the Note, less any payments on account of Administrative Expenses, Allowed Secured Claims, Allowed Priority Claims and Allowed Non-Insider Unsecured Claims. The Debtor estimates that Allowed Claims in Class 4 total \$1,150,000. Sapra and Sanchez are the only Holders of Class 4 Claims. Although he sought to have his claim treated as secured, Sanchez's claim will be treated solely as an unsecured claim under the Plan. The Debtor estimates that the distribution to Class 4 Creditors will ultimately be approximately 25% of the Allowed Unsecured Insider Claims, without interest. This analysis is based upon a review of the proofs-of-claim filed in the Debtor's case and an estimate as to the balance of funds remaining after Administrative Claims, United States Trustee Fees, Allowed Secured Claims, Allowed Priority Claims and Allowed Unsecured Non-Insider Claims are paid. Sanchez has agreed that the final \$15,000.00 in Distributions to which he is entitled will be paid by the Disbursing Agent to Sapra.

6. Interests (Class 5)

Sapra is the sole Interest-holder of the Debtor. Such Interest is impaired. Because Allowed Unsecured Claims will not be paid in full, the existing Interests will be cancelled and will receive no distribution. This Class is deemed to have rejected the Plan.

V. The Debtor's Chapter 11 Plan of Liquidation

The Plan is a Plan of Liquidation proposed by the Debtor. The Plan, which is annexed hereto as Exhibit A, forms a part of this Disclosure Statement. This Disclosure Statement is qualified in its entirety by the more detailed provision in the Plan.

THE DEBTOR BELIEVES THAT (i) THE PLAN PROVIDES THE BEST POSSIBLE RESULT FOR HOLDERS OF CLAIMS AND INTERESTS, (ii) WITH RESPECT TO IMPAIRED CLASSES OF CLAIMS OR INTERESTS, THE DISTRIBUTIONS UNDER THE PLAN ARE GREATER THAN THE AMOUNTS THAT WOULD BE RECEIVED IF THE DEBTOR WAS LIQUIDATED UNDER CHAPTER 7, AND (iii) ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF HOLDERS OF CLAIMS AND INTERESTS. THE DEBTOR, THEREFORE, RECOMMENDS THAT YOU ACCEPT THE PLAN.

A. Classification and Treatment of Claims and Interests

Pursuant to section 1122 of the Code, set forth below is a designation of classes of Claims and Interests. Administrative Expenses have not been classified and are excluded from the following classes, in accordance with section 1123(a)(1) of the Code.

- Class 1. Class 1 consists of all Allowed Secured Claims,
- Class 2. Class 2 consists of the Allowed Priority Claims.
- Class 3. Class 3 consists of all Allowed Unsecured Non-Insider Claims.
- Class 4. Class 4 consists of all Allowed Unsecured Insider Claims.
- Class 5. Class 5 consists of all Allowed Interests in the Debtor.

B. Rejection of Executory Contracts

The Debtor does not believe it is a party to any contracts. Notwithstanding, to the extent that there are any executory contracts or unexpired leases that have not been rejected or terminated by the Debtor on or before the Confirmation Date they shall be deemed to have been rejected by the Debtor on the Confirmation Date except for those that were assumed by the Debtor before the Confirmation Date. It is the Debtor's intention to reject all executory contracts and unexpired leases in connection with this Plan unless assumed by the Debtor prior to the Confirmation Date.

C. Bar Date for Rejection Damages

The Debtor no longer has any executory contracts, and the bar date for filing unsecured claims was May 22, 2014. Accordingly the Debtor does not believe that any further rejection damage claims will be filed. Any and all such claims arising from rejection shall be treated as Class 4.

D. Means of Implementation

1. Liquidation of Debtor's Assets

The Debtor's non-Cash assets (the Route and related property) were liquidated under the supervision of the Court. The Debtor intends to implement the Plan by the utilization of the Cash and amounts due and received under the Note remaining after the payment of Administrative Claims, Trustee Claims, Allowed Secured Claims and Allowed Priority Claims (the cash and Note-proceeds may be referred to as the "Liquidation Fund") for the payment of all amounts due under the Plan to be paid by the Disbursing Agent in order of priority as set forth in the Plan.

2. Disbursement of Funds

The Plan designates Michael McAulliffe, who is the attorney for Sanchez, to serve as the Disbursing Agent. The Disbursing Agent will act without a bond because the Debtor and its

creditors wish to save the expense of bond premiums and believes there is no valid reason for the Disbursing Agent to be bonded. The Disbursing Agent shall serve without compensation but shall be entitled to reimbursement of ordinary and necessary expenses.

Unless otherwise provided for in the Confirmation Order, on the Effective Date or as soon thereafter as practicable, the Disbursing Agent after consultation with counsel for the Debtor may establish an interest-bearing reserve account for such estimated amounts as may be needed to, *inter alia*, pay the costs and expenses of winding up the Debtor's estate including the expenses of the Disbursing Agent. To the extent there is any *de minimus* excess in the reserve account at the conclusion of the liquidation, the excess may be distributed to the Disbursing Agent.

3. Disbursing Agent

The Disbursing Agent shall be responsible for disbursing, issuing and distributing money and other consideration to the holders of Allowed Claims in this case as provided for in the Plan.

The Disbursing Agent, in the name of and on behalf of the Debtor's estate, shall comply with all payment, withholding and reporting requirements imposed by federal, state and local authorities and all distributions made under the Plan shall be subject to such payment, withholding and reporting requirements. The Disbursing Agent and its agents or representatives shall not be liable to the Debtor or to creditors for acts done in furtherance of the Plan, except for willful misconduct or fraud. In the event the appointment of a successor Disbursing Agent becomes necessary, such Disbursing Agent shall be appointed by the Debtor's counsel on ten (10) days' notice to Sanchez, the UST and any other interested party.

The Debtor shall notify Pelham Bay to make all payments due to the Debtor under the Note to the Disbursing Agent.

The Disbursing Agent shall be paid reasonable costs and expenses from the Liquidation Fund upon ten (10) days' notice to the Debtor.

4. Disputed Claims and Establishment of Distribution Reserve

The Plan provides that no payments or distributions shall be made with respect to any portion of a Disputed Claim or Interest unless and until the objection to such portion of the Disputed Claim or Interest has been settled or withdrawn or determined by Final Order. That portion of the Claim to which there is no dispute shall be paid as otherwise provided for under the Code or in this Plan.

The Plan also provides that the Disbursing Agent shall establish a Distribution Reserve from the Cash to be distributed under the Plan as to any Disputed Claim or portion of a Claim that is Disputed, as if it were an Allowed Claim. The Distribution Reserve shall be maintained at an authorized depository within the Eastern District of New York. Mr. McAulliffe, the proposed Disbursing Agent, maintains his office in the Eastern District of New York.

As to any Disputed Claim or Interest, upon a request for estimation by the Debtor and/or the Post-Confirmation Debtor, as the case may be, the Court shall determine what amount is sufficient to withhold as the Distribution Reserve. The Debtor and/or the Post-Confirmation Debtor, as the case may be, may request estimation for every Disputed Claim or Interest that is contingent or unliquidated, and the Disbursing Agent shall withhold the Distribution Reserve based upon the estimated amount of such Claim or Interest as set forth in a Final Order. If the Debtor and/or the Post-Confirmation Debtor, as the case may be, elects not to request such estimation from the Court with respect to a Disputed Claim or Interest that is contingent or

unliquidated, the Disbursing Agent shall withhold the Distribution Reserve based upon the face amount of such Claim or Interest.

Following the allowance of a Disputed Claim or any part of a Disputed Claim, the Disbursing Agent shall pay the from the Distribution Reserve to each holder of a Disputed Claim to the extent that the Claim has become an Allowed Claim in accordance with the provisions of this Plan governing the Class of Claims or Interests to which such holder belongs as promptly as practicable after the date that the order or judgment of the Court allowing all or part of such Claim or Interest becomes a Final Order. After a Final Order has been entered, or other final resolution has been reached, with respect to all Disputed Claims or Interests, any Cash or other Property remaining in the Distribution Reserve shall be distributed on a Pro Rata basis to the holders of Class 4 Claims (ie Sanchez and Sapra).

5. Post-Petition Interest will Not Accrue

Under section 502 of the Code, the allowed amount of an Unsecured Creditors' Claim includes accrued interest as of the Filing Date, but excludes any interest accruing after the Filing Date. Unsecured Creditors are entitled to post-petition interest only if a Chapter 7 liquidation would yield a surplus of proceeds sufficient to satisfy all Claims provided for by section 726(a)(1)(4) of the Code, and then only to the extent of such excess and at the legal rate of interest (*see* sections 1129(a)(7) and 726(a) of the Code). In this case, holders of Allowed Unsecured Insider Claims are expected to receive a distribution of approximately 25% of the amount of their Claims. Because all creditors will not be paid in full, post-petition interest will not accrue.

VI. Confirmation and Consummation Procedure

Under the Code, the following steps must be taken to confirm the Plan:

1. Solicitation of Acceptance

As permitted by the Code, the Debtor is soliciting, in good faith and in compliance with the applicable provisions of the Code, the acceptance of certain classes of Claims or Interests that are “impaired” under the Plan. The following class is the only Creditor class that is impaired:

Class 4 Allowed Unsecured Insider Claims.

The Debtor is seeking the acceptance of the Plan only by holders of Allowed Unsecured Insider Claims (Class 4). Holders of Allowed Secured Claims (Class 1), Allowed Priority Claims (Class 2), and Allowed Unsecured Non-Insider Claims (Class 3) are not impaired under the Plan and they are deemed to have accepted the Plan. The sole Holder of an Interest in the Debtor (Class 5) will receive nothing for that Interest under the Plan and he is therefore deemed to have rejected the Plan.

Section 1126(c) of the Code defines acceptance of a plan by a class of claims as acceptance by creditors that hold at least two-thirds in dollar amount and more than one-half in number of the allowed claims of such class who actually accept or reject a plan. The vote of a holder of a claim or interest may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that the acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Code.

Any holder of a Claim (i) whose Claim has been scheduled in the schedules of assets and liabilities filed with the Bankruptcy Court (provided that such Claim has not been scheduled as disputed, contingent or unliquidated) or (ii) who has filed a Proof of Claim on or before the Bar Date is entitled to accept or reject the Plan. As noted above, Classes 1, 2 and 3 are deemed to have

accepted and Class 5 to have rejected the Plan. Only Holders of Class 4 Claims are entitled to vote on whether to accept or reject the Plan.

The Debtor has concluded that this classification of Claims complies with section 1122 of the Code and is in the best interest of the Debtor and its Estate, Creditors, and holders of Interests.

B. Confirmation Hearing

The Code requires that the Bankruptcy Court, after notice, hold a hearing on the confirmation of the Plan. The Confirmation Hearing has been scheduled for October 30, 2017 at 10:00 a.m. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than an announcement of the adjourned date made on the scheduled date and time of the Confirmation Hearing. Any objection to the confirmation of the Plan must be made in writing and filed with the Bankruptcy Court and served upon the following on or before October 23, 2017.

The Debtor, to: Anne Penachio, Esq.
 Penachio Malara LLP
 235 Main Street
 White Plains, NY 10601
 (914) 946-2889

Any of the above may, from time to time, change its address for future notices and other communications hereunder by filing a notice of the change of address with the Bankruptcy Court and by serving notice of the change of address on the above.

C. Confirmation

1. General

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Code are met. The most relevant of these requirements are the following:

- (a) The Plan and the Debtor must comply with the applicable provisions of the Code.
- (b) The Plan must have been proposed in good faith and not by any means forbidden by law.
- (c) Any payment made or to be made by the Debtor for services or for costs and expenses in, or in connection with, the Plan must have been approved by or be subject to the approval of the Bankruptcy Court as reasonable.
- (d) The Debtor must have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the Debtor or a successor to the Debtor under the Plan, and the appointment to or continuance in such office by such individual must be consistent with the interests of Creditors and equity security holders and with public policy. The Debtor must have disclosed the identity of any “insider” (as defined in section 101(31) of the Code) who will be employed or retained by the Debtor and the nature of any compensation for such insider.
- (e) With respect to each impaired class of Claims or Interests whose votes are being solicited hereunder, each holder of a Claim or Interest in such class must either accept the Plan or receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Confirmation Date, that is not less than the amount that such holder would receive or retain if the Debtor was liquidated on the Confirmation Date under Chapter 7 of the Code. (*See* “Best Interests Test,” Article VI, Paragraph C(2) below.)
- (f) Each class of Claims or Interests must either accept the Plan or not be impaired under the Plan. If this requirement is not met, the Plan may still be confirmed pursuant to section 1129(b) of the Code. (*See* “Confirmation Over A Dissenting Class,” Article VI, Paragraph C(3) below.)
- (g) Except to the extent that the holder of a Claim has agreed to a different treatment of such Claim, the Plan must provide that (1) Administrative Expenses will be paid in full in Cash on the Effective Date or the date that the Claim becomes fixed by agreement or judicial determination, (2) Allowed Secured Claims will be paid in full in Cash on the later of the Effective Date or the date that the Claim becomes fixed by agreement or judicial determination in an Amount equal to the Allowed amount of such Claim, and (3) Allowed Priority Claims will be paid in full in Cash on the later

of the Effective Date or the date that the Claim becomes fixed by agreement or judicial determination in an Amount equal to the Allowed amount of such Claim. Disputed portions of Administrative Claims and Allowed Secured Claims shall be held in reserve by the Debtor's Disbursing Agent in accordance with Paragraph 6.03 of the Plan.

- (h) If a class of Claims is impaired under the Plan, at least one class of Claims that is impaired by the Plan must accept the Plan.
- (i) All fees payable under section 1930 of Title 28 of the United States Code (the Judicial Code), as determined by the Bankruptcy Court at the Confirmation Hearing, must have been paid or the Plan must provide for the payment of all such fees on the Effective Date.
- (j) The Debtor believes that the Plan satisfies all of the statutory requirements of Chapter 11 of the Code. Certain of these requirements are discussed in more detail below.

2. Best Interests Test

In order to meet the "best interests" test of section 1129(a)(7) of the Code, the Debtor must establish that each holder of a Claim or Interest in an impaired class either (A) has accepted the Plan or (B) will receive or retain under the Plan in respect of its Claim or Interest, property of a value, as of the Confirmation Date, that is not less than the amount such holder would receive or retain if each of the Debtor was liquidated under Chapter 7 of the Code.

To determine the recovery that Creditors and holders of Interests would receive if the Debtor was to be liquidated, the Bankruptcy Court must determine the amount of Cash that would be generated from the liquidation of the assets and properties of the Debtor's Chapter 7 liquidation case. The dollar amount that would be available for satisfaction of Claims and Interests would consist of the proceeds resulting from the disposition of the assets of the Debtor in a liquidation case plus the Cash held by the Debtor at the time of the commencement of the liquidation case and any interest earned on the investment thereof minus the costs and expenses of the liquidation and any additional administrative and priority claims that may result from the termination of the Debtor's business and the completion of liquidation under Chapter 7.

The costs of liquidation under Chapter 7 would include the fees payable to a trustee in bankruptcy and to any additional attorneys and other professionals engaged by such trustee plus any unpaid expenses incurred by the Debtor during the Chapter 11 Case. The foregoing types of Claims and such other Claims as may arise in the liquidation case or result from the pending Chapter 11 Case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay Claims.

Under the “best interests” test, all Persons holding Allowed Unsecured Claims in a particular class having the same rights upon liquidation would be treated as a single class for purposes of determining the potential distribution of the proceeds from the liquidation of the assets of the Debtor under Chapter 7. The distributions payable to each of the Creditors in a class from the liquidation proceeds would be calculated pro rata according to the amount of the claim in such class held by each Creditor in the class.

The Debtor has carefully considered the probable effects of liquidation under Chapter 7 on the ultimate proceeds available for distribution to Creditors and holders of Interests, including the following:

- (a) the probable costs and expenses of liquidation by a Chapter 7 trustee;
- (b) the possible adverse effect of liquidation under Chapter 7 on the realizable values of the Debtor’s assets and properties; and
- (c) the possible substantial increases in Claims that would rank prior to or on a parity with those of Allowed Unsecured Creditors.

After considering these factors, among others, the Debtor has concluded, as set forth in Article IX, Alternatives to Confirmation and Consummation of the Plan, below, that the value of

the distributions to each class of Creditors pursuant to the Plan is materially greater than the value of the distributions to such class in a hypothetical Chapter 7 liquidation.

3. Confirmation Over a Dissenting Class

In the event that any impaired class of Claims or Interests does not accept the Plan, the Bankruptcy Court may nevertheless confirm the Plan at the Debtor's request if all other requirements under section 1129(a) of the Code are satisfied, and if, with respect to each impaired class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable." Confirmation pursuant to section 1129(b) of the Code requires that at least one impaired class of Claims accept the Plan, excluding any acceptance of the Plan by an "insider" (as defined in section 101(31) of the Code).

If one of the impaired classes of Claims does not accept the Plan in accordance with section 1126 of the Code, the Debtor will ask the Court to confirm the Plan pursuant to section 1129(b) of the Code. The Debtor believes that the Plan provides for the fair and equitable treatment of the Unsecured Creditors pursuant to section 1129(b)(2)(B) of the Code. The Debtor therefore believes that any request by the Debtor for confirmation of the Plan, notwithstanding a rejection by the classes of Allowed Unsecured Insider Claims, pursuant to section 1129(b)(2)(B) of the Code will be granted. In furtherance of such request, however, the Debtor reserves the right, in its discretion, to modify or waive any provision of the Plan. The Debtor believes that the Plan is "fair and equitable" and that the Plan does not "discriminate unfairly."

(a) Fair and Equitable

The "fair and equitable" test requires absolute priority in the payment of claims and interests with respect to the non-accepting class or classes. The "fair and equitable" test established by

the Code is different for secured claims, unsecured claims and equity interests, and includes the following treatment:

(1) Secured Claims

A plan will be deemed fair and equitable with respect to a non-accepting class of secured claims if (a) the holder of each claim in such class will retain its lien or liens and receive deferred cash payments totaling the allowed amount of its claim, of a value, as of the Confirmation Date, equal to the value of such holder's interest in the collateral, (b) the holder of each claim in each class will receive the proceeds from any sale of such collateral, or (c) the holder of each claim in such class will realize the indubitable equivalent of its allowed secured claim. Because under the Plan all Secured Claims (Class 2) will be Allowed and paid in full, those Claims are deemed to have accepted the Plan.

(2) Unsecured Claims

A plan will be deemed fair and equitable with respect to a non-accepting class of unsecured claims if (a) the holder of each claim in such class will receive or retain under the plan property of a value, as of the Confirmation Date, equal to the allowed amount of its claim, or (b) holders of claims or interests that are junior to the claims of such creditors will not receive or retain any property under the plan on account of such junior claim or interest. Because under the Plan all Unsecured Non-Insider Claims (Class 3) will be Allowed and paid in full, those Claims are deemed to have accepted the Plan. Because there are no classes of claims junior to Unsecured Insider Claims (Class 4) and the sole holder of an Interest will receive nothing with respect to that Interest, the Plan is fair and equitable as to Class 4.

(3) Interests

A plan will be deemed fair and equitable with respect to a non-accepting class of interests if the plan provides that (a) each member of such class receives or retains, on account of its interest property of a value, as of the Confirmation Date, equal to the greatest of the allowed amount of any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) holders of interests that are junior to the interests of such class will not receive or retain any property under the Plan on account of such junior interests. There are no holders of Interests junior to Class 5 and therefore although the sole member of Class 5 will receive nothing for that Interest under the Plan the Plan is fair and equitable as to the sole member of Class 5.

The Debtor believes the Plan satisfies the “fair and equitable test” with respect to all impaired classes. A liquidation of the Debtor’s assets would yield a significantly lower distribution to holders of Allowed Unsecured Insider Claims. Accordingly, the Debtor believes that the Plan satisfies the “fair and equitable test” for all holders of Claims and Interests.

(b) No Unfair Discrimination

A plan of reorganization “does not discriminate unfairly” with respect to a non-accepting class if the value of the Cash and/or securities to be distributed to the non-accepting class is equal or otherwise fair when compared to the value of distributions to other classes whose legal rights are the same as those of the non-accepting class. The Debtor believes the Plan complies with this requirement.

D. Consummation

If the Plan is confirmed, the Plan will be consummated and distributions will be made on, or as soon as practicable after, the Confirmation Date, except as provided in the Plan.

VII. Directors and Officers

Sapra, is the sole shareholder and officer of the Debtor and will continue in that capacity post-confirmation.

VIII. Exculpation and Limitation of Liability

To the extent permitted under section 1125(e) of the Code, the Plan exculpates the Debtor and its agents from their actions in connection with the solicitation of the acceptance of the Plan except for willful misconduct and gross negligence, reckless disregard of duty, criminal conduct, fraud or self-dealing. Specifically, the Plan provides that neither the Debtor or the Post-Confirmation Debtor, as the case may be, nor their respective current or former members, officers, employees, advisors, attorneys, accountants, or agents shall have or incur any liability to any holder of a Claim, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, affiliates or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the Property to be distributed under the Plan, except for their willful misconduct and gross negligence, reckless disregard of duty, criminal conduct, fraud or self-dealing, or in the case of an attorney professional and as required under Rule 1.8(h)(1) of the New York State Rules of Professional Conduct, malpractice and in all respects shall be entitled to

reasonably rely upon the advice of counsel with respect to their duties and responsibilities under Paragraph 13.05 of the Plan.

IX. Release of Sapra, Penachio and Penachio Malara from the Stern Action

To the extent that Stern seeks damages from Sapra, Penachio, and/or Penachio Malara, subject to section 1125(e) of the Code, neither shall have or incur any liability to Stern for any act or omission in connection with, relating to, or arising out of the administration of this Chapter 11 case. Stern and all parties to the action shall be provided with notice of the hearing on Confirmation of the Plan.

X. Federal Income Tax Consequences

The Debtor has not analyzed and will not analyze the federal income tax consequences of the Plan as it pertains to Creditors and holders of Interests. Accordingly, all Creditors and holders of Interests in the Debtor are strongly urged to consult their own tax advisors regarding the tax consequences of the Plan to them and to the Debtor. The Debtor and its counsel are not making any representations regarding the particular tax consequences of confirmation and consummation of the Plan as to any creditor or holder of an Interest in the Debtor nor is the Debtor rendering any form of legal opinion as to such tax consequences.

A. Tax Consequences of Plan

CREDITORS AND EQUITY INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS.

CONFIRMATION MAY HAVE FEDERAL INCOME TAX CONSEQUENCES FOR THE DEBTOR AND HOLDERS OF CLAIMS AND INTERESTS. THE DEBTOR HAS NOT OBTAINED AND DOES NOT INTEND TO REQUEST A RULING FROM THE IRS, NOR HAS THE DEBTOR OBTAINED AN OPINION OF COUNSEL WITH RESPECT TO ANY TAX MATTERS. THE INTERNAL REVENUE CODE AND THE REGULATIONS PROMULGATED THEREUNDER ARE BELIEVED TO GOVERN ANY FEDERAL

INCOME TAX MATTERS RAISED BY CONFIRMATION OF THE PLAN. CREDITORS AND HOLDERS OF INTERESTS ARE URGED TO CONSULT THEIR OWN COUNSEL AND TAX ADVISORS AS TO THE CONSEQUENCES TO THEM, UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND FOREIGN TAX LAWS, OF THE PLAN. THE FOLLOWING IS INTENDED TO BE A SUMMARY ONLY AND NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE PLAN MAY BE COMPLEX IN SOME CIRCUMSTANCES AND, IN SOME CASES, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HER OWN TAX ADVISOR REGARDING THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE PLAN, INCLUDING BUT NOT LIMITED TO THE RECEIPT OF CASH AND/OR STOCK UNDER THIS PLAN.

1. Tax Consequences to the Debtor

The Debtor may not recognize income as a result of the discharge of debt pursuant to the Plan because section 108 of the Internal Revenue Code provides that taxpayers in bankruptcy proceedings do not recognize income from discharge of indebtedness. However, a taxpayer is required to reduce its “tax attributes” by the amount of the debt discharged. Tax attributed are reduced in the following order: (i) net operating losses; (ii) general business credits; (iii) capital loss carryovers; (iv) basis in assets; (v) passive activity loss and credit carryovers; and (vi) foreign tax credit carryovers.

2. Tax Consequences to Unsecured Creditors

An unsecured creditor that receives Cash in satisfaction of its Claim may recognize gain or loss, with respect to the principal amount of its Claim, equal to the difference between (i) the creditor’s basis in the Claim (other than the portion of the Claim, if any, attributable to accrued interest), and (ii) the balance of the Cash received after any allocation to accrued interest. The character of the gain or loss as capital gain or loss, or ordinary income or loss, will generally be determined by whether the Claim is a capital asset in the creditor’s hands. A creditor may also recognize income or loss in respect of consideration received for an accrued interest on the Claim.

The income or loss will generally be ordinary, regardless of whether the creditor's Claim is a capital asset in its hands.

XI. Alternatives to Confirmation and Consummation of the Plan

If the Plan is not confirmed and consummated, the alternatives include (a) liquidation of the Debtor under Chapter 7 of the Code or (b) an alternative Chapter 11 plan or plans.

A. Liquidation Under Chapter 7

Section 1129(a) of the Code provides that the Bankruptcy Court may confirm a plan only if the requirements contained in such section are met. One of these requirements is that each non-accepting holder of an allowed claim or an allowed interest in an impaired class must receive or retain under the plan on account of such claim or interest property having a value as of the effective date of the plan at least equal to the value that such holder would receive if the debtor were liquidated under Chapter 7 of the Code on the effective date of the plan. The Debtor believes that in the event of a liquidation under Chapter 7, holders of Allowed Unsecured Insider Claims would receive significantly less than under the Plan due to the fact that Chapter 7 trustee commissions would reduce the funds available for distribution.

XII. Conclusion

THE DEBTOR APPROVES OF AND SUPPORTS THE PLAN. THE DEBTOR URGES CREDITORS TO ACCEPT THE PLAN AND TO EVIDENCE SUCH ACCEPTANCE BY RETURNING THEIR BALLOT SO THEY WILL BE RECEIVED ANNE PENACHIO, 235 MAIN STREET, SUITE 610, WHITE PLAINS, NY 10601 NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 23, 2017

Dated: White Plains, NY
September 29, 2017

PENACHIO MALARA LLP

By: /s/ Anne Penachio
Anne Penachio
235 Main Street - Suite 610
White Plains, NY 10601
(914) 946-2889