

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

-----X
In Re:

RONALD SCOTT KUPETZ,

Debtor.
-----X

CHAPTER 11

CASE NO. 16-35165

DATED: September 16, 2016

DISCLOSURE STATEMENT
PURSUANT TO 11 U.S.C. SECTION 1125

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

/s/ Lewis D. Wrobel

LEWIS D. WROBEL, ESQ.

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**DISCLOSURE STATEMENT
PURSUANT TO 11 U.S.C. SECTION 1125**

On February 1, 2016, the debtor filed a voluntary petition pursuant to Chapter 11 of Title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of New York. On September 16, 2016 the debtor filed his proposed Plan of Reorganization.

Pursuant to Section 1125 of the Bankruptcy Code, the debtor has prepared this Disclosure Statement for submission to the holders of claims or interests with respect to the debtor and its assets. The debtor provides this Disclosure Statement to all of its known creditors in order to disclose that information deemed by the debtor to be material, important, and necessary for its creditors to arrive at a reasonably informed decision in exercising the right to vote to accept or reject the Plan of Reorganization presently on file with the United States Bankruptcy Court. A copy of the Plan accompanies this Disclosure Statement.

The information contained in this Disclosure Statement has not been subject to a certified audit. The records kept by Ronald Scott Kupetz rely for accuracy upon bookkeeping performed both internally and by outside services. Every reasonable effort has been made to represent accurate figures. However, because of the complexity of the debtor's financial affairs, only a certified audit can assure accuracy.

The "Effective Date" of the Plan shall mean the date upon which the Order of Confirmation is final and non-appealable.

A Creditor's Committee has not been appointed in this case.

I.
INTRODUCTION

The debtor, Ronald Scott Kupetz, is a practicing dentist and the owner of three (3) parcels of real property. His financial difficulties have been precipitated by a costly divorce

settlement from which he has not recovered. His largest creditors are the tax authorities that hold claims in excess of \$600,000.00. There is significant equity in two (2) parcels of real property; the Bolton Landing property and the two-family house in Hopewell Junction. He will seek to pay his creditors upon the sale of these properties. A Plan of Reorganization was filed on September 16, 2016, together with this Disclosure Statement.

II. **SOLICITATION AND VOTING**

Each impaired creditor may vote on the Plan by filling out and mailing the accompanying ballot for accepting or rejecting the Plan and mailing the same to the attorney for debtor, LEWIS D. WROBEL, 85 Civic Center Plaza, Suite 201A, Poughkeepsie, NY 12601. Such ballot must be filed with the attorney for the debtor by the date stated on the accompanying ballot. As a creditor, your vote on the Plan is important. The Plan can be confirmed by the Court if it is accepted by each class of impaired claims and/or interests set forth in the Plan or, if necessary, by a "cram-down" as provided for under Section 1129 of the Bankruptcy Code. A class of claims is deemed to have accepted the Plan when creditors in the class holding at least a majority of voting claims in number and two-thirds (2/3) in dollar amount have voted to accept the Plan.

Please note that Classes II, III, IV, V, VII, VIII, IX and X hereinafter constituted are impaired under the Plan. A class of claims or interests is impaired under a Plan unless, with respect to each claim or interest of such class, the Plan

- (1) leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder of such claim or interest;
- (2) notwithstanding any contractual provisions or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default
 - (a) cures any such default that occurred before or after the commencement of ; the case.
 - (b) reinstates the maturity of such claim or interest as such maturity existed before such default;
 - (c) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and
 - (d) if such claim or such interest arises from any failure to perform a non-monetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any such pecuniary loss incurred by such holder as a result of such failure; and
 - (e) does not otherwise alter the legal, equitable, or contractual rights to which

such claim or interest entitles the holder of such claim or interest

III. THE PLAN OF REORGANIZATION

The Plan provides for the creation of eleven (11) classes of claims and interests to be paid in the following manner:

Class I - Costs and expenses of administration as defined in the Bankruptcy Code, including, among other things, legal fees, and post-petition accounts payable, will be paid in cash, in full, on the effective date of the Plan. At the present time, it is estimated that administration expenses will consist of the following: Lewis D. Wrobel, Esq., attorney for the debtor - \$15,000.00 of which \$10,000.00 was paid in a pre-petition retainer, Jeffrey Harrison, CPA, accountant for the Debtor \$10,000.00. The Office of the United States Trustee may be due quarterly fees of \$625.00. Therefore, estimated administrative costs total \$25,625.00 of which \$10,000.00 has already been paid, leaving a balance of \$15,625.00. This class is not impaired by the Plan, and its vote will not be solicited.

Class II - The secured creditor M & T Bank holds a first mortgage lien upon the debtor's real property located at 2765 Route 52, Hopewell Junction, New York. M & T Bank has filed a claim of \$59,150.91 with arrears of \$27,752.56. The debtor will seek to sell this property and satisfy the M & T Bank mortgage. This class is impaired and its vote shall be solicited.

Class III - The secured creditor M & T Bank holds a first mortgage lien upon the real property located at 260 New Hackensack Road, Wappingers Falls, New York. M & T Bank has filed a claim of \$126,953.47. The property is owned by the Kupetz Group, LLC. The debtor is the sole member of the Kupetz Group. The Kupetz Group, LLC shall retain ownership of this property. Upon the sale of the Bolton Landing property and the Hopewell Junction property, this mortgage loan will be brought current. This class is impaired and its vote shall be solicited.

Class IV - The secured claims of John Guerra. Mr. Guerra holds a judgment in the sum of \$15,014.13 docketed in Dutchess County. He also holds a second mortgage lien in the sum of \$91,760.36 against the Debtor's Hopewell Junction property. Upon the sale of the Hopewell Junction property. Mr. Guerra's judgment and mortgage will be satisfied. This class is impaired and its vote shall be solicited.

Class V - The secured creditor Bank of America holds a first mortgage lien upon the Debtor's real property located at 38 Norwall Road, Bolton Landing, New York. The amount owed to the Bank of America is approximately \$160,000.00. This property has been placed on the market for sale. The listing price is \$885,000.00. Upon the sale of this property, the mortgage loan of Bank of America shall be satisfied. This class is impaired and its vote shall be solicited.

Class VI – The secured creditor Wells Fargo Bank N.A. holds a lien upon the debtor’s motor vehicle, a 2011 Chevrolet Tracker. The amount of the wells Fargo Bank N.A. claim is \$8,372.10. The debtor shall continue to make the monthly payments. This class is not impaired and its vote shall not be solicited.

Class VII – The secured creditor New York State Department of Taxation and Finance holds a claim in the sum of \$116,153.36. This claim will accrue interest at the statutory rate. This claim will be satisfied from the proceeds of the sales of the Debtor’s real property. This class is impaired and its vote shall be solicited.

Class VIII – The secured creditor Internal Revenue Service holds a claim in the sum of \$57,800.00. This claim will accrue interest at the statutory rate. This claim will be satisfied from the proceeds of the sales of the Debtor’s real property. This class is impaired and its vote shall be solicited.

Class IX – The priority creditor Internal Revenue Service holds a claim in the sum of \$369,216.40. This claim will accrue interest at the statutory rate. This claim will be satisfied from the proceeds of the sales of the Debtor’s real property. This class is impaired and its vote shall be solicited.

Class X – The unsecured claims of the Debtor total approximately \$105,000.00. the unsecured claims shall receive a dividend of 30% upon the sale of the Debtor’s real property. This class is impaired and its vote shall be solicited.

Class XI - The interest of the debtor, Ronald S. Kupetz. Dr. Kupetz shall retain ownership of his assets. This class is not impaired and its vote shall not be solicited.

IV. **MODIFICATION OF THE PLAN**

The debtor may propose amendments and/or modifications of this Plan at any time prior to confirmation, with leave of the Court, upon such notice as the Court shall direct. After confirmation, the debtor may, with the approval of the Court, and so long as it does not materially or adversely affect the interest of creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan, or in the Order of Confirmation in such manner as may be necessary to carry out the purposes and effects of this Plan

V. **EXECUTION AND IMPLEMENTATION OF THE PLAN**

The funds necessary for the satisfaction of the claims to creditors will be generated by the sale of two (2) parcels of the Debtor’s real property within one (1) year of the Effective Date.

Upon confirmation, the reorganized debtor shall be entitled to manage his affairs without

further Order of this Court. However, the Court will retain jurisdiction for the purposes set forth below.

The Plan of Reorganization was not negotiated with a Creditors Committee as none exists.

It is estimated that the amount of cash necessary to Confirm the Plan will be \$10,000.00.

VI. **JURISDICTION OF THE COURT**

The Court will retain jurisdiction until the Plan has been fully consummated, including, but not limited to, the following purposes:

1. The classification of the claim of any creditor and the re-examination of claims which have been allowed for purposes of voting, and the determination of such objections as may be filed to the creditors' claims. The failure by the debtor to object to, or to examine any claim for the purposes of voting, shall not be deemed to be a waiver of the debtor's right to object to, or re-examine, the claim in whole or in part.
2. Determination of all questions and disputes regarding title to the assets of the estate, and determination of all causes of action, controversies, disputes or conflicts, whether or not subject to action pending as of the date of confirmation, between the debtor and any other party, including, but not limited to, any right of the debtor to recover assets pursuant to the provisions of Title 11 of the United States Code.
3. The correction of any defect, the curing of any omission, or the reconciliation of any inconsistency in the Plan or Order of Confirmation as may be necessary to carry out the purposes and intents of this Amended Plan.
4. The modification of this Plan after confirmation pursuant to the Federal Rules of Bankruptcy Procedure and Title 11 of the United States Code.
5. The enforcement and interpretation of the terms and conditions of this Plan.
6. Entry of any Order, including injunctions, necessary to enforce the title, rights and powers of the debtor and to impose such limitations, restrictions, terms and conditions of such title, rights, and powers as this Court may deem necessary.
7. The hearing of any matter brought on upon proper application by any creditor claiming that payments pursuant to the Plan have not been properly made either in terms of the amount of the payment or the time it was to have been made.
8. Entry of an Order concluding and terminating this case.

VII
FINANCIAL STATEMENTS AND INFORMATION

A Cash Flow Analysis from February, 2016 through June, 2016 has been annexed hereto and marked "Exhibit A". A statement of Assets and Liabilities of the debtor, as of September 1, 2016 has been annexed hereto as "Exhibit B" and should be inspected by all interested parties. The financial information provided therein is unaudited. A liquidation analysis is offered in Exhibit C. The liquidation values estimated based upon the personal experience and knowledge of Ronald Scott Kupetz, the debtor, in buying and selling assets of the type mentioned. The values listed are estimates of the amounts for which such assets could be sold at a forced sale or by a Bankruptcy Trustee. Fair Market Value is the value of the item if sold at arm's length between a willing buyer and a willing seller.

VIII
NATURE OF DEBTOR'S BUSINESS

The debtor, Ronald Scott Kupetz, is a practicing dentist and the owner of three (3) parcels of real property. There is significant equity in two (2) parcels of real property; the Bolton Landing property and the two-family house in Hopewell Junction. He will seek to pay his creditors upon the sale of these properties.

IX
OWNERSHIP AND MANAGEMENT

A. Ownership - The debtor, Ronald Scott Kupetz, shall retain ownership of his interest in the Kupetz Group, LLC., the owner of the real property in Wappingers falls, New York and shall retain ownership of his dental practice.

B. Management - The debtor, Ronald Scott Kupetz, shall retain management of The Kupetz Group, LLC and his dental practice.

ARTICLE X
MISCELLANEOUS

The debtor has examined into the existence of any possible fraudulent conveyance as defined in 11 U.S.C. Section 547 of the Bankruptcy Code and any possible preferential payments as defined by 11 U.S.C. Section 547 of the Bankruptcy Code.. As to the best of the debtor's knowledge and belief, none exist.

The debtor does not contemplate the rejection of any executory contracts and/or leases.

Should a default occur on any payments to be made pursuant to the Plan, the Bankruptcy Court shall retain jurisdiction so that any claimant herein shall have recourse to a Chapter 7 proceeding upon proper application therefor.

Dated: Poughkeepsie, New York
September 16, 2016

/s/ Lewis D. Wrobel
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/s/ Ronald Scott Kupetz
Ronald Scott Kupetz