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d/b/a Maoz Falafel & Grill, Debtor and Debtor in Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11
Case No.: 17-13327-SHL

Maoz 8th Avenue LLC, d/b/a Maoz Falafel & Grill,

Debtor.

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DATED: October 9, 2018

**FIRST AMENDED DISCLOSURE STATEMENT
PURSUANT TO 11 U.S.C. § 1125**

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

On November 27, 2017, Maoz 8th Avenue LLC, d/b/a Maoz Falafel & Grill, debtor and debtor in possession (the “Debtor”) filed a voluntary petition for reorganization 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 June 25, 2018, the debtor filed its proposed Plan of Reorganization (the “Plan”) and on October 9, 2018 filed its Firm Amended Plan. This is the proposed Disclosure Statement (the “Disclosure Statement”) in connection with such Plan.

Pursuant to § 1125 of the Bankruptcy Code, the debtor has prepared this Disclosure Statement for submission to the holders of claims against or interests in the debtor with adequate information about the debtor and the Plan to make an informed judgment before voting to accept or reject the Plan. A copy of the Plan accompanies this Disclosure Statement. The approval of this Disclosure Statement by the United States Bankruptcy Court as containing adequate information does not constitute a recommendation by the Court as to the merits of the Plan. The approval of this Disclosure Statement by the Court as containing adequate information pursuant to 11 U.S.C. § 1125 enables the debtor to solicit the holders of claims and interests against the debtor for the purpose of accepting or rejecting the Plan.

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

A Creditors' Committee has not been appointed in this case.

I. DEFINITIONS

1.01 "Administrative Bar Date" shall mean, in respect of Administrative Claims, the date(s), if any, designated by the Court as the last dates for filing Administrative proofs of Claim against the Debtor.

1.02 "Administrative Claim" shall mean a claim for any cost or expense of administration of this Chapter 11 case, made under Section 503(b) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Debtor's Estate, of operating the Debtor's Estate and business and all allowances of compensation for legal or other professional services or reimbursement of costs and expenses to the extent allowed by the Court in accordance with Sections 330, 331 and/or 503 of the Bankruptcy Code.

1.03 "Allowed" shall mean, when used in reference to a Claim within a particular Class,

an Allowed Claim of the type described in such Class.

1.04 “Allowed Administrative Claim” shall mean all or that portion of any Administrative Claim which is an Allowed Claim.

1.05 “Allowed Claim” shall mean a Claim or any portion thereof (a) as to which no objection to allowance or request for estimation has been interposed on or before the Consummation Date or the expiration of such other applicable period of limitation as may be fixed by the Bankruptcy Code, the Bankruptcy Rules, the Court, or the Plan, (b) as to which any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, (c) that has been allowed by a Final Order, (d) as to which the liability of the Debtor and the amount thereof are determined by final order of a court of competent jurisdiction other than the Court, or (e) that is expressly allowed in a liquidated amount in the Plan, *provided however*, that with respect to an Administrative Claim, that nothing herein shall be deemed to require holders of Administrative Claims incurred by the Debtor in the ordinary course of business, including the actual, necessary costs and expenses of operating the business of the Debtor, to make a request for payment of such Administrative Claim pursuant to Section 503(a) of the Bankruptcy Code.

1.06 “Allowed Priority Claim” shall mean all or that portion of an Allowed Claim, other than an Allowed Priority Tax Claim, which is a Priority Claim.

1.07 “Allowed Secured Claim” shall mean that portion of an Allowed Claim that is a Secured Claim.

1.08 “Allowed Priority Tax Claim” shall mean that portion of an Allowed Claim entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

1.09 “Allowed Unsecured Claim” shall mean any Allowed Claim that is an Unsecured

Claim.

1.10 “Bankruptcy Code” shall mean Title 11, United States Code (Title I of the Bankruptcy Reform Act of 1978, Publ. 95-598, 92 Stat. 2549, as amended).

1.11 “Bankruptcy Court” or “Court” shall mean the United States Bankruptcy Court for the Southern District of New York or such other court, as may have jurisdiction over the Chapter 11 case.

1.12 “Bankruptcy Rules” shall mean, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Case or proceedings therein, and the Local Rules of the Court, as applicable to this Chapter 11 case or proceedings therein, as the case may be.

1.13 “Bar Date(s)” shall mean the date designated by the Court as the last dates for filing proofs of Claims against the Debtor. Said date for pre-petition claims has been fixed as April 30, 2018.

1.14 “Business Day” shall mean any day other than a Saturday, Sunday, or legal holiday as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure.

1.15 “Cash” shall mean legal tender of the United States or equivalents thereof.

1.16 “Chapter 11” shall mean Chapter 11 of the United States Bankruptcy Code.

1.17 “Claim” shall mean a claim against the Debtor as defined in Section 101(5) of the Bankruptcy Code, to wit: (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or

unsecured.

1.18 “Claimant” or “Creditor” shall mean the holder of an Allowed Claim.

1.19 “Class” shall mean a class of holders of Allowed Claims described in Article II of this Plan.

1.20 “Collateral” shall mean any property or interest in property of the Debtor’s Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.21 “Confirmation” shall mean entry of an Order of the Court confirming this Plan.

1.22 “Confirmation Date” shall mean the date upon which the Court enters the Confirmation Order.

1.23 “Confirmation Hearing” shall mean the hearing to consider confirmation of the Plan under Section 1129 of the Bankruptcy Code.

1.24 “Confirmation Order” shall mean the Order of the Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

1.25 “Consummation Date” shall mean the date of the first of any distribution made to Creditors under the Plan.

1.26 “Court” shall mean the United States Bankruptcy Court for the Southern District of New York.

1.27 “Cure” shall mean the distribution of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption of an executory contract or unexpired lease, pursuant to Section 365(b) of the Bankruptcy Code, in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be

agreed upon by the parties, under such executory contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable non-bankruptcy law.

1.28 “Debtor” shall mean Maoz 8th Avenue LLC, d/b/a Maoz Falafel & Grill, as debtor-in-possession, prior to the Confirmation Date.

1.29 “Disallowed Claim” shall mean any claim or portion thereof that has been disallowed by a Final Order.

1.30 “Disclosure Statement” shall mean this written disclosure statement that relates to the Plan, dated June 25, 2018, as may be amended, supplemented, or modified from time to time, and that is prepared and distributed in accordance with Sections 1125 and 1126(b) of the United States Bankruptcy Code and Fed. R. Bankr. P. 3018.

1.31 “Disputed Claim” shall mean (a) any claim or portion of a claim (other than an Allowed Claim), which has been filed pursuant to Section 501(a) of the Bankruptcy Code as unliquidated or contingent, or (b) a claim which has been filed pursuant to Section 501(a) of the Bankruptcy Code as to which an objection to the allowance thereof has been interposed within the time limitation fixed by the Bankruptcy Code, by an order of the Court, or by this Plan, which objection has not been determined in whole or in part, by a Final Order.

1.32 “Distribution Date” means the Effective Date.

1.33 “Distribution Reserve” means that amount of Cash reserve from the Cash to be distributed under the Plan as to any Disputed Claim.

1.34 “Effective Date” shall mean the date the Court enters the Confirmation Order.

1.35 “Entity” shall have the meaning provided by Section 101(15) of the Bankruptcy Code.

1.36 “Estate” shall mean the estate of Debtor created in the Reorganization Case by

Section 541 of the Bankruptcy Code.

1.37 “Exempt Property” shall mean all Property of Debtor’s Estate that is exempt from Creditor Claims by reason of Section 522 of the Bankruptcy Code.

1.38 “Equity Interest” means any “equity security” as defined in section 101(16) of the Bankruptcy Code, of the Debtor existing immediately prior to the **Effective Date**, or any other instrument evidencing an ownership interest in the Debtor.

1.39 “Federal Rules of Bankruptcy Procedure” shall mean the Rules of Bankruptcy Procedure, effective August 1, 1994, in accordance with the provisions of Section 2075, Title 28, United States Code, as the same shall from time to time be amended.

1.40 “Filing Date” shall mean November 27, 2017, the date of the commencement of the Reorganization Case as a voluntary Chapter 11 case under the Bankruptcy Code.

1.41 “Final Order” shall mean an order of judgment of the Court which has not been reversed, stayed, modified or amended and as to which the time to seek re argument, appeal or seek certiorari or review has expired and as to which no appeal or petition for certiorari or review is pending or as to which any right to appeal or to seek certiorari or review has been waived.

1.42 “General Unsecured Claim” shall mean a Claim against the Debtor that is not an Administrative Claim, Priority Tax Claim, Other Priority Claim or Secured Claim.

1.43 “Impaired” shall mean, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

1.44 “Insiders” shall have the meaning provided by Section 101(31) of the Bankruptcy Code.

1.45 “Interests” or “Membership Interests” means all of the membership interests in the Debtor as of the Effective Date, including all interests and Equity Interests as of the Filing Date.

1.46 “Lien” shall have the meaning provided by Section 101(37) of the Bankruptcy Code.

1.47 “Non-Exempt Property” shall mean all Property of Debtor’s Estate that is not exempt from Creditor Claims by reason of Section 522 of the Bankruptcy Code.

1.48 “Plan” shall mean the Plan of Reorganization dated June 25, 2018 as amended by the First Amended Plan dated October 9, 2018, and any exhibits thereto and any documents delivered in connection therewith, as the same may, from time to time, be further amended by any duly authorized amendment or modification to the extent permitted therein or by the Bankruptcy Code or Federal Rules of Bankruptcy Procedure.

1.49 “Priority Claim” shall mean a Claim which qualifies as such under Section 507(a)(3),(4) and (6) of the Bankruptcy Code.

1.50 “Priority Tax Claim” shall mean a Claim which qualifies as such under Section 507(a)(8) of the Bankruptcy Code.

1.51 “Professionals” shall mean those persons retained pursuant to an order of the Court in accordance with Sections 327 and 1102 of the Bankruptcy Code.

1.52 “Property” shall have the meaning provided by Section 541 of the Bankruptcy Code.

1.53 “Pro-Rata” shall mean, as to intraclass calculations, the ratio of an Allowed Claim in a particular class to the amount of all Claims of that Class.

1.54 “Reinstated” or “Reinstatement” shall mean (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the holder of such Claim so as to leave such Claim unimpaired in accordance with Section 1124 of the Bankruptcy Code or (b) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim

to demand or receive accelerated payment of such Claim after the occurrence of a default (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the holder of such Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (iv) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the holder of such Claim.

1.55 “Reorganization Case” shall mean the case of the Debtor under case number 17-13327-SHL.

1.56 “Reorganized Debtor” shall mean Debtor, on and after the Effective Date.

1.57 “Schedules” shall mean the schedules of assets and liabilities and the statements of financial affairs, if any, filed in the Bankruptcy Court by the Debtor as such schedules or statements may be amended or supplemented from time to time in accordance with Fed. R. Bankr. P. 1009 or orders of the Bankruptcy Court.

1.58 “Secured Claim” shall mean a Claim that is secured by a Lien upon property, or the proceeds of the sale of such property, in which the Debtor have an interest, to the extent of the value, as of the Consummation Date or such later date as is established by the Bankruptcy Court, of such Lien as determined by a Final Order of the Bankruptcy Court pursuant to Section 506 of the Bankruptcy Code or as otherwise agreed upon in writing by the Committee and/or the Liquidating Trustee, as the case may be, and the holder of such Claim.

1.59 “Secured Creditor” shall mean the holder of an Allowed Secured Claim.

1.60 “Substantial Consummation” shall mean the date that distributions are first made on the Consummation Date.

1.61 “Trustee Claim” shall mean all fees and charges assessed against the Debtor’s Estate pursuant to Section 1930 of Title 28, United States Code.

1.62 “Unimpaired Claim” shall mean a Claim that is not an Impaired Claim.

1.63 “Unsecured Claim” shall mean a Claim that is not an Administrative Claim, a Priority Claim, a Priority Tax Claim, a Secured Claim or an Interest.

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 same to the attorney for the Debtor, SICHENZIA ROSS FERENCE LLP, 1185 Avenue of the Americas, 37th floor, New York, New York 10036. 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. 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 2 - 4 as hereinafter constituted are impaired under the Plan. As such, the Debtor need not seek acceptances of the Plan from any class other than Classes 2, 3 and 4. Pursuant to the Bankruptcy Code, all unimpaired classes are deemed to have accepted 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 claims 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) 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 is based on the Debtor's belief that the estimated current forced liquidation value of its assets is so small as to offer the potential of no recovery to its general unsecured creditors, and that such cash liquidation would be an economic waste to itself, its creditors and the community in which it is located. (Calculations of the liquidation values are annexed hereto as Exhibit A.)

The Plan provides for the creation of five (5) classes of claims and interests to be paid in the following manner:

1.64 **Class 1 - Administrative Expense Claims:** Costs and expenses of administration as defined in the Bankruptcy Code, including, among other things, legal fees, post-petition accounts payable and post-petition taxes, will be paid in full or in accordance with an agreement

with said creditor. At the present time, it is estimated that administration expenses will consist of the following: approximately \$4,500.00 in attorneys' fees is expected to be owed to SICHENZIA ROSS FERENCE LLP, counsel to the Chapter 11 Debtor, subject to allowance by this Court. Said firm received a retainer fee of \$5,000.00, and received an interim fee award of \$22,500.00 in August, 2018, which included the \$5,000.00 retainer fee.; Total unpaid administrative debt is estimated at \$5,000.00.

1.65 **Class 2 - Priority Trade Claim:** (a) Priority trade claims under section 503(b)(9) of the Bankruptcy Code for the value of any goods received by the Debtor within 20 days before the date of commencement of this case sold to the Debtor in the ordinary course of such Debtor's business, will be paid in full without interest. This class consists of the claim of Performance Food Group, Inc. in the amount of \$4,892.54.

(b) The claim in this class total approximately \$4,892.54.

(c) This class is impaired and its vote will be solicited.

1.66 **Class 3 – Wage Claim**

(a) **Treatment.** The claim of Arturo Barrera a/k/a Delphino Arturo Barrera (“BARRERA”) as such claim is allowed and approved by order of the U.S. District Court and the U.S. Bankruptcy Court. BARRERA's claim is scheduled as disputed by the Debtor in its Schedules. BARRERA filed two (2) claims in this Reorganization Case: claim no. 1.1 in the amount of \$311,830.00, and claim no. 2.1 in the amount of \$312,000.00. BARRERA's claim was originally asserted in the lawsuit entitled DELFINO ARTURO BARRERA, individually and on behalf of others similarly situated, Plaintiff, against MAOZ VEGETARIAN U.S.A. INC. (d/b/a MAOZ VEGETARIAN), MAOZ 8TH AVENUE LLC., et al, commenced in United States District Court for the Southern District of New York, bearing case no. 16-cv-8254 (RJS) (SN). The total

of the obligation to be paid to BARRERA as of June 25, 2018, is the gross sum of Seventy-Five Thousand Dollars and No Cents (**\$75,000.00**) (the "Settlement Amount") which is to be paid to Plaintiff Barrera's attorneys, "Michael A. Faillace, Esq., as Attorney for Plaintiff Barrera" in Eighteen (18) installments, as follows: twelve (12) consecutive monthly payments of \$4,166.67 and six (6) consecutive monthly payments of \$4,166.66. Such payments will commence thirty days (30) after U.S. District Court and U.S. Bankruptcy Court approval of a settlement agreement memorializing such settlement, and after the **Effective Date**. The BARRERA claim will be allowed and paid in amount equal to TWENTY FOUR percent (24%) of the amount set forth in his filed proof of claim.

(b) Full Settlement. The treatment and consideration to be received by Holders of Allowed Class 3 Claims shall be in full settlement and final satisfaction of their respective Claims.

(c) This class is impaired by the Plan and its vote will be solicited.

1.67 **Class 4 – General Unsecured Claims**

(a) Treatment: Allowed claims of all pre-petition unsecured creditors of the Debtor, subject to an allowance of their claims by the Court, will be paid in cash, an amount equal to **ONE HUNDRED percent (100%)** of the allowed amount of such creditors' claim payable as follows: in **three (3) semi-annual (every 6 months) installments** of one-third of the amount owed commencing thirty (30) days after the Effective Date of the Plan. Each of the three (3) monthly payments shall be approximately \$22,823.21.

(b) The claims in this class total approximately \$68,469.62.

(c) This class is impaired and its vote will be solicited.

1.68 **Class 5 – Membership Interests**.

(a) Treatment: All Membership Interests will survive Plan confirmation, and will not be impaired. All instruments evidencing Equity Interests in the Debtor shall remain in full force

and effect without further act or action under any applicable agreement, law, regulation, order or rule, and the Equity Interests evidenced thereby shall not be **extinguished**. This class in unimpaired.

1.69 **Unclassified Statutory Fees**. U.S. Trustee quarterly fees pursuant to 28 USC §1930 and any interest thereon shall be paid in full on the effective date of the Plan and shall continue to be paid post-confirmation by the Debtor until such time as the Court enters a final decree closing the case or the case is dismissed or converted.

On the Effective Date, the Reorganized Debtor shall be entitled to manage its affairs for all purposes without further Order of this Court. However, the Court will retain jurisdiction for the purposes described in Article IV of the Plan until it has been fully consummated.

On the Effective Date, pursuant to section 1141(d)(1) of the Bankruptcy Code, the confirmation of this plan:

(A) discharges the Debtor from any debt that arose before the date of such confirmation, and any debt of a kind specified in section 502(g) , 502(h) , or 502(i) of the Bankruptcy Code whether or not--

- (i) a proof of the claim based on such debt is filed or deemed filed under section 501 of this title;
- (ii) such claim is allowed under section 502 of this title; or
- (iii) the holder of such claim has accepted the plan.

THE FOREGOING IS A BRIEF SUMMARY OF THE PLAN AND SHOULD NOT BE SOLELY RELIED UPON FOR VOTING PURPOSES. CREDITORS ARE FURTHER URGED TO CONSULT WITH THEIR OWN COUNSEL OR WITH EACH OTHER IN ORDER TO FULLY UNDERSTAND THE PLAN. THE PLAN REPRESENTS A PROPOSED

LEGALLY BINDING AGREEMENT BY THE DEBTOR, AND AN INTELLIGENT JUDGMENT CONCERNING SUCH PLAN CANNOT BE MADE WITHOUT UNDERSTANDING IT.

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

The funds necessary for the satisfaction of creditors' claims shall be generated from revenues received in the ordinary course of the Debtor's operation of its restaurant and commissary business. .

Distributions necessary to creditors in Classes 3 and 4 shall require a monthly reserve of approximately \$7,900.00 over the life of the Plan. Please see Exhibit "C" for a projection of income and expenses over the life of the Plan.

The maximum amount of cash that will be necessary to confirm the Plan is expected to be approximately \$48,000.00 as and for the initial payments to Classes 2, 3 and 4 claims. Said funds shall be available from the revenue generated from the ongoing business operations of the Debtor and contribution as necessary by the guarantor of the Settlement Amount, and the Debtor the Debtor reports \$57,560.49 on deposit as accumulated cash in its May 2018 Operating Report.

The Plan of Reorganization is annexed hereto Exhibit "E".

**V.
FINANCIAL STATEMENTS AND INFORMATION**

A Statement of Assets and Liabilities of the Debtor as of December 31, 2017, has been annexed hereto as Exhibit "A" and should be inspected by all interested parties. The financial information provided herein is unaudited. The liquidation values are based upon appraisals obtained by the Debtor unless otherwise set forth, and 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.

Also, find annexed hereto a compilation of Monthly Income and Expense Statements (Exhibit “B”); a Projected Income and Expense Statement (Exhibit “C”); a Pro Forma Balance Sheet (Exhibit “D”), and the Proposed Plan of Reorganization (Exhibit “E”).

VI. LEASE

By Order of the Court dated July 18, 2018, the Debtor’s motion under section 365 of the Bankruptcy Code to assume its unexpired 10 year lease of nonresidential real property for the restaurant location at store # 2 and partial basement in the building known as 681-685 8th Avenue, New York, New York dated as of August 17, 2010 for the term August 17, 2010 to August 6, 2020 (the “**Lease**”) with Palace Funding, Inc. c/o Transworld Equities (“Palace Funding” or the “Landlord”) was granted.

VII. NATURE OF DEBTOR’S BUSINESS

The Debtor is a privately held limited liability company organized under the laws of the State of New York. It was founded in August 2010. The Debtor operated under the name “Maoz Falafel & Grill” and was one of four (4) restaurants each separately incorporated using that DBA. The other restaurant locations using that DBA are separate corporations, some of which share ownership. The Debtor’s address is 213 West 40th Street, 3rd floor, New York, NY 10018, and its principal place of business is 683 8th Avenue, New York, NY 10018.

The Debtor is engaged in operating a restaurant that provides retail sales of Mediterranean food products at its location. The Debtor also operates its commissary at this location which provides food products to three (3) other local “Maoz Falafel & Grill” branded restaurants in the New York metropolitan area, plus the Debtor’s retail location at 683 8th Avenue, New York, NY 10018. All are located in Manhattan. Currently, the Debtor generates a

profit from its operations. The Debtor currently employs approximately 27 employees: approximately 11 employees are employed on a full-time basis (i.e., working at least 35 hours per week), and approximately 16 employees are employed on a part-time basis. These employees include kitchen and retail sales staff.

VIII. BUSINESS PLAN

The business plan for 2018 and beyond relies on further reducing cutting overhead costs and spending to enable the repayment of Maoz 8th Avenue LLC creditors. In its projections, the Debtor has factored in inflation. For every dollar in projected cost increases, Maoz 8th Avenue LLC has increased its pricing according to its necessary margins. To accomplish this the company looked at historical numbers. Most expense items have been increased proportionate to the increase in revenue.

IX. OWNERSHIP AND MANAGEMENT

A. Ownership - None of the issued and outstanding Membership Interests of the Debtor, Maoz 8th Avenue LLC, will be impaired. The Membership Interest will not be impaired. The member will retain one hundred (100%) percent of its ownership interest in the reorganized Debtor, but shall not receive any dividends or payments under the Plan. The member owns one hundred (100%) percent of the outstanding Membership Interests of the Debtor and is an insider as defined by the Bankruptcy Code.

B. Management – Mr. Jimmy Shabtay shall continue to be the manager of the Debtor as an employee at will. The Plan contemplates that there will be no change in the officers and management of the Debtor. The Debtor expects the following individuals to act, post-

confirmation, as management of the Debtor: Anticipated compensation for management of the Debtor corporation post-confirmation is as follows: none per month.

C. The Debtor shall file post-confirmation operating reports on a quarterly basis until the Court enters a final decree closing the case or the case is dismissed or converted.

X INJUNCTION

Except as otherwise provided in or to enforce the Plan or Confirmation Order, including to establish the Allowed Claims, on or after the Effective Date all Entities that have held, currently hold, or may hold, a Claim, Lien, Interest or other liability against or in the Debtor that would be discharged or satisfied upon confirmation of the Plan and the Effective Date but for the provisions of Bankruptcy Code § 1141(d)(3) are permanently enjoined from taking any of the following actions on account of such Claim, Lien, Interest or right: (a) commencing or continuing in any manner any action or other proceeding on account of such Claim, Lien, Interest, or right against the Post-confirmation Estate, Post-confirmation Estate Assets, including without limitation, any Property that is to be distributed under the Plan; or (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Post-confirmation Estate, Post-confirmation Estate Assets, or any Property to be distributed under the Plan. On and after the Effective Date, each Holder of an Interest in the Debtor is permanently enjoined from taking or participating in any action that would interfere with or otherwise hinder the implementing the Plan or the Confirmation Order.

Except as otherwise provided in the Plan or the Confirmation Order, on or after the Effective Date all Creditors of, Claimants against, Interest Holders of, and Entities having or claiming an interest of any nature in the Post-confirmation Estate are hereby permanently enjoined and stayed from pursuing or attempting to pursue any action, commencing or

continuing any action, employing any process, or any act against the Post-confirmation Estate, Post-confirmation Estate Assets, or any other Property that is to be distributed under the Plan, on account of or based upon any right, claim or interest which any such Creditor, Claimant, Interest Holder, or other Entity may have had prior to the entry of the Confirmation Order.

XI. EXCULPATION

To the extent permitted by section 1125 of the Bankruptcy Code, neither the Debtor nor its management, officers, directors, members, employees or other agents, financial advisors, attorneys, and/or accountants shall have any liability to any Holder of any Claim or Interest for any act or omission in connection with or arising out of the negotiation, preparation and pursuit of confirmation of the Plan, the Consummation of the Plan, the administration of the Plan, the Chapter 11 Case or the property to be distributed under the Plan except for liability based upon fraud, gross negligence, willful misconduct, malpractice, criminal conduct, misuse of confidential information that causes damages as finally determined by a Final Order of the Bankruptcy Court. Nothing herein shall abrogate the provisions of any disciplinary code.

XII. MISCELLANEOUS

The Debtor has examined the existence of any possible fraudulent conveyances as defined in 11 U.S.C. Section 548 and preferences as defined in 11 U.S.C. Section 547 and as to the best of the Debtor's knowledge and belief, none exist.

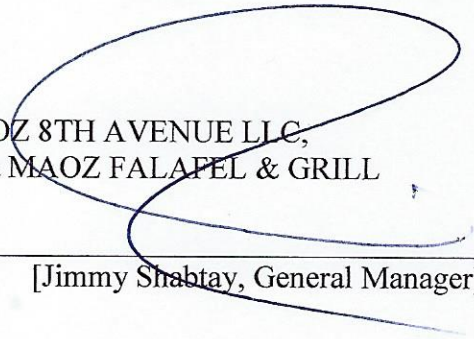
The Debtor does not contemplate rejection of any executory contracts.

No pre-petition litigation is currently pending other than the Barrera litigation, which has been resolved provisionally, subject to Court approval.

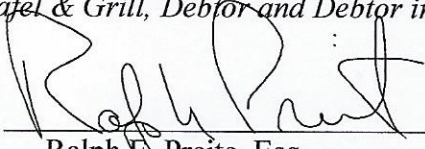
Should a default occur on any payments to be made pursuant to the Plan, the Bankruptcy Court shall retain jurisdiction so that any claimant herein shall have recourse to the Bankruptcy Court and may request a conversion to a Chapter 7 liquidation proceeding upon proper application therefor.

Dated: New York, New York
October 9, 2018

MAOZ 8TH AVENUE LLC,
d/b/a MAOZ FALAFEL & GRILL

By: 
[Jimmy Shabtay, General Manager]

SICHENZIA ROSS FERENCE LLP
*Counsel for Maoz 8th Avenue LLC d/b/a Maoz
Falafel & Grill, Debtor and Debtor in Possession*

By: 
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