

Hayward, Parker, O’Leary & Pinsky
Attorneys for Debtor
225 Dolson Ave., Box 929
Middletown, New York 10940
Tel: (845) 343-6227
Fax: (845) 343-1927
Email: mike.pinsky@hpoplaw.com
Mike Pinsky, Esq.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

RALSTON-LIPPINCOTT-HASBROUCK-
INGRASSIA FUNERAL HOME, INC., et al.,

Debtor.

-----X

Chapter 11

Case No. 17-35114 (cgm)

(Jointly Administered)

**DISCLOSURE STATEMENT TO ACCOMPANY
DEBTORS’ JOINT PLAN OF REORGANIZATION**

The above-captioned lead debtor and debtor in possession in these jointly administered cases, Ralston-Lippincott-Hasbrouck-Ingrassia Funeral Home, Inc., and its three (3) affiliated debtors Lippincott-Ingrassia Funeral Home, Inc., Case No. 17-35115; Lippincott Funeral Chapel, Inc., Case No. 17-35116; and CKI, LLC, Case No. 17-35117 (collectively with the lead debtor, the “Debtors”), chapter 11 debtor and debtor-in-possession (the “Debtor”) have prepared the following Disclosure Statement to Accompany Debtors’ Joint Plan of Reorganization (the “Disclosure Statement”) pursuant to the provisions of chapter 11 of title 11, United States Code (the “Bankruptcy Code” or the “Code”).

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

I. INTRODUCTION

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 creditors to arrive at a reasonably informed decision in exercising their right to vote on the First

Amended Plan of Reorganization (hereafter “the Plan”) presently on file with the Bankruptcy Court. A copy of the Plan accompanies this Statement. **Capitalized terms in this Disclosure Statement have the same meaning given them in the Plan. Please refer to Article I of the Plan for those definitions.**

In determining whether to vote in favor of the Plan, parties may wish to consider consulting with their own legal counsel, accountants, and/or tax advisors with respect to the legal, financial, or tax effects of the Plan. The information contained in this Plan has been compiled by the Debtor. No audit of the books or records of the Debtor has been undertaken.

A Ballot with voting instructions is being distributed with this Plan. A class of claims accepts the Plan by a favorable vote of a majority in number and two-thirds in amount of claims actually voting. A class that is not “impaired” under the Plan is conclusively presumed to accept the Plan. A class that is “impaired” under the Plan is entitled to vote on the Plan. In order for a Plan containing an impaired class of claims to be confirmed, at least one class of claims that is impaired under the Plan must vote to accept the Plan, determined without including the acceptance of the Plan by any insider.

A class of claims is impaired for purposes of Bankruptcy Code § 1124 if the nonbankruptcy rights to payment or performance of the holders of claims in that class have been altered by the Plan. Exceptions to this general description of impairment apply in circumstances where the Bankruptcy Code requires a specific treatment of a class of claims, e.g., tax claims entitled to a priority in payment pursuant to Bankruptcy Code sections 507(a)(8) or 1129(a)(9)(D). Where the Bankruptcy Code requires and the Plan provides for a specific treatment of a class of claims, that class is deemed to be unimpaired. Creditors should consult with an attorney if in doubt concerning the impairment status of a class of claims.

The vote of a class of claims binds all members of the class. Thus, if a class votes to accept the Plan (i.e., a majority in number and two-thirds of amount of those voting), the provisions of the Bankruptcy Code designed to protect rejecting classes cannot be invoked even by members of that class who voted to reject the Plan. Conversely, if a class rejects the Plan, the members of the class who voted to accept the Plan will be deprived of the benefits of the Plan if it is not confirmed.

The Bankruptcy Code does not require that every class of claims or interests votes in favor of the Plan. The Court may confirm a chapter 11 plan notwithstanding the rejection of the Plan by one or more classes of claims. The criteria under which the Court may confirm the Plan over the objections of one or more classes of claims are set forth in § 1129(b) of the Code and, among other requirements, include the requirement that the Court find with respect to each non-accepting class that the Plan does not discriminate unfairly against such class, that the Plan is fair and equitable as to such class, and that the value of benefits to be distributed to the members of such class will not be less than the members of that class would receive if the Debtor were liquidated under chapter 7 of the Code.

The financial information contained herein has been authorized by the Court for use in connection with the solicitation of acceptances of the Plan. **NO REPRESENTATIONS**

(PARTICULARLY AS TO THE VALUE OF PROPERTY, THE DEBTOR'S FUTURE BUSINESS OPERATIONS, OR THE AMOUNT OF CREDITORS' CLAIMS) ARE AUTHORIZED BY THE COURT OR THE DEBTORS OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE WHICH IS OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

To the extent that this document contains financial projections, **DEBTOR EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT ALL INFORMATION CONTAINED HEREIN IS COMPLETELY FREE FROM ERROR.** Although reasonable efforts have been made to accumulate and present accurate information, the information contained in this statement has not been subject to a certified audit, and the accuracy of the information contained herein cannot be guaranteed. Some of the information, by its nature, necessarily speculative, and contains estimates and assumptions which may not occur.

II. HISTORICAL BUSINESS & FINANCIAL INFORMATION

A. Prepetition Operations

1. Debtors Ralston-Lippincott-Hasbrouck-Ingrassia Funeral Home, Inc. ("Middletown"), Lippincott-Ingrassia Funeral Home, Inc. ("Chester"), and Lippincott Funeral Chapel, Inc. ("Goshen") each own and operate an Orange County funeral home in their respective locations. Debtor CKI, LLC ("Greenwood Lake") is a real estate holding company for the Greenwood Lake location, which is operated by non-debtor affiliate Strong-Basile Funeral Home ("Strong-Basile"). Each of the four debtors is owned 100% by Anthony Ingrassia, a licensed New York funeral Director. Mr. Ingrassia is also the owner of Strong-Basile.

2. Anthony Ingrassia actively manages the Debtors' businesses and that of Strong-Basile, while serving as the president of the Middletown, Goshen and Chester corporations, and as the managing member of the Greenwood Lake limited liability company.

3. A significant portion of the Debtors' revenue comes from life insurance policy proceeds. Some of those proceeds were assigned to the funeral home in advance to cover expected funeral expenses; some are assigned by one or more beneficiaries to the funeral home after an insured person's death.

4. Upon death, the Debtors further assign those proceeds to a third party, through a Uniform Commercial Code 'true sale' arrangement. Delays in receiving those proceeds—a process that must await the completion of a medical examiner's findings in every case before payments on the life policies are released—have contributed to the Debtors' financial difficulties.

5. In late 2014 or early 2015, two Debtors' mortgages fell more than 2 months behind to the Debtors' first lien mortgage lender, the former Orange County Trust Company, now Orange Bank & Trust Company ("OBT"). Each individual Debtor's mortgage loan with OBT is cross-collateralized with the real property owned by each of the other Debtors, as well as certain closely

related personal property. OBT accelerated each of the four Debtor's mortgages and commenced four related commercial mortgage foreclosure actions in the Orange County Supreme Court. OBT thereafter obtained judgments of foreclosure and sale in all four foreclosure actions, necessitating this chapter 11 case to prevent the auction sale of the Debtors' real properties.

6. The Debtors sought protection under chapter 11 of the Bankruptcy Code by filing their voluntary petitions with the U.S. Bankruptcy Court for the Southern District of New York, Poughkeepsie Division, on January 26, 2017. Upon the commencement of the cases, the Debtors sought and obtained 'first day' relief, including an order for joint administration, to permit them to continue to manage their assets and operate their business without significant disruptions.

B. Operations in Chapter 11 Orange Bank & Trust Company ("OBT"), f/k/a Orange County Trust Company, has entered into continuing cash collateral agreements with the Debtors, which the Bankruptcy Court has approved. The debtors have retained a real estate broker, and through the broker are marketing two of the debtors' four properties for sale: the Chester location, owned by Lippincott Ingrassia Funeral Home, Inc., and the Goshen location, owned by Lippincott Funeral Chapel, Inc. The debtors are making their postpetition mortgage payments to OBT, current in filing their monthly operating reports, and with payments of the quarterly fees payable to the Office of the United States Trustee. Postpetition to date, the debtors' operation have generated net profits before taxes on a cash basis of approximately \$18,132. As of September 30, 2017, although the cash basis loss was \$6,795, accounts payable were \$4,421 against good receivables (pending medical examiners' reports) of \$68,069. Starting with April 2017, collectible receivables have consistently exceeded current payables by a monthly average of \$78,966. Copies of the debtors' monthly operating reports are collectively annexed as Exhibit "A".

III. SUMMARY OF THE PLAN OF REORGANIZATION

A. Classification and Treatment of Claims

The Plan provides for the division of creditors and interests into 8 classes (including administrative and priority claims).

NON-VOTING CLASSES OF CLAIMS AND INTERESTS: Classes 1 through 3 and 8 are not "impaired," as that term is understood for purposes of Code §1124, and therefore creditors and equity security holders in those classes are deemed to have accepted the Plan and will not be entitled to vote on the proposed confirmation of the Debtor's Plan.

VOTING CLASSES OF CLAIMS: Claims within Classes 4 through 7 are “impaired,” as that term is understood for purposes of Code §1124, and therefore creditors in those classes are entitled to vote on the proposed confirmation of the Debtor’s Plan, and (following Bankruptcy Court approval of this Disclosure Statement, as it may be amended hereafter) the Debtor solicits your votes in favor of the Plan.

B. Estimated Claim Amounts and Plan Payments

The following is a listing and/or estimate by the Debtors of the number and size of claims against the Debtors’ estates, set out under the classifications employed in the Plan and described above, and description of the Plan’s treatment and payments on those claims. (All estimated payments are rounded to the nearest dollar amount.) The Debtors retain the right to file objections to any of the following claims if, after further review, it appears that such claim(s) are incorrect in amount or are improperly classified in the Debtor’s schedules or by the claimant in a timely filed proof of claim.

Class 1. The Class 1 Claims consist of the costs of administration of this estate. The Debtor estimates that these costs will total approximately \$25,000, consisting of professional fees and reimbursement of expenses pursuant to Code §503(b)(2). Retainer deposits against this amount equal \$12,049, leaving \$12,951 to be paid, subject to prior application on notice, hearing and Bankruptcy Court approval.

CLASS 2. Class 2 consists of the holders of claims who are entitled to a priority in payment pursuant to Bankruptcy Code §507(a)(1) and/or §507(a)(3) through (a)(10). The Class 2 Claims are divided into two (2) subclasses:

Class 2(A) consists of the holders of Allowed Claims who are entitled to a priority in payment under the provisions of the Bankruptcy Code other than priority tax claims. The Debtors believe that this is an empty class.

Class 2(B) consists of the holders of priority tax claims, including without limitation the claims of the United States and of the State of New York. The Debtors estimate that the Class 2(B) Claims total \$22,753.¹

The above estimate of \$22,753 includes \$5,000 toward the estimated IRS income tax liability of Lippincott Funeral Chapel, Inc. for 2014 (see fn. 1). With a projected Effective Date in January 2018, the Debtors will make 15 quarterly payments of \$1,517, plus interest at the applicable statutory rate, the last such payment to be made not more than 5 years after the Petition Date.

¹ This amount is exclusive of an estimated claim by the IRS in the estate of Lippincott Funeral Chapel, Inc. on account of 2014 income taxes in the amount of \$31,233. Lippincott Funeral Chapel, Inc. is in the process of preparing and filing a return for that year, and believes the amount determined after review by the IRS will be between zero and \$5,000.

CLASS 3. Allowed Secured Claim(s) for unpaid prepetition county, city, village, town and school taxes. The Debtors believe this is an empty class, as the payments for taxes on the Debtors' real properties are escrowed with OBT.

CLASS 4. The Allowed Secured Claims of judgment lien creditors. Holders of claims in this Class hold filed judgments against Ralston-Lippincott-Hasbrouck-Ingrassia Funeral Home, Inc. and its real property located in Middletown, New York. The holders of the Allowed Class 4 Claims consist of Orange Bank & Trust Company, Catskill-Hudson Bank, Florence Casket Company, and Franklin Credit Management Corp. as servicing agent for Bosco Credit VI Trust Series 2012-1. The Allowed Claims in this class total \$130,771 and will be paid in full, without interest, in equal monthly payments over 10 years commencing on the Effective Date as follows:

Orange Bank & Trust Company
Claim amount \$53,386
Monthly payment \$445

Catskill Hudson Bank
Claim Amount \$53,301
Monthly payment \$444

Franklin Credit Management Corp.
Claim amount \$17,263
Monthly payment \$144

Florence Casket Company
Claim amount \$6,821
Monthly payment \$57

CLASS 5. The Allowed Secured Claim of Orange Bank & Trust Company, with respect to consolidated cross-collateralized notes and mortgages, along with security interests in related personal property, on each of the Debtors' parcels of real property. OBT's Allowed Class 5 Claim totals \$2,271,280, as follows:

17-35114 (cgm) Ralston-Lippincott-Hasbrouck-Ingrassia Funeral Home, Inc. - \$1,054,665.00
(Secured by real property located at 72 W. Main Street, Middletown, New York)

17-35115 (cgm) Lippincott-Ingrassia Funeral Home, Inc. - \$454,710.00
(Secured by real property located at 92 Main Street, Chester, New York)

17-35116 (cgm) Lippincott Funeral Chapel, Inc. - \$523,221.00
(Secured by real property located at 107 Murray Street, Goshen, New York)

17-35117 (cgm) CKI, LLC - \$238,684.00
(Secured by real property located at 4 Oak Street, Warwick, New York)

The Class 5 Allowed Secured Claims shall be paid with interest at six percent (6%) per annum in consecutive and equal monthly payments over 10 years from the Effective Date, amortized based on a 23-year amortization schedule. All remaining unpaid principal, interest, and other charges shall be payable at maturity.

The first payment on the restructured Allowed Class 5 Secured Claims shall be made on the first day of the month following the first full calendar month after the Effective Date. Each payment shall be in the amount of FIFTEEN THOUSAND ONE HUNDRED NINETY-ONE DOLLARS (\$15,191.00). In addition, the Debtors shall pay one-twelfth (1/12) of the annual real property, village, and school taxes as an additional monthly payment and added amount to the referenced principal and interest payment.

CLASS 6. The non-insider Allowed Unsecured Claims of non-insider unsecured claimants of the Debtors not entitled to priority pursuant to Code section 507, to the extent not included in another class of claims, including without limitation any claims arising as a result of the operation of Code section 506, or as a result of the rejection of executory contracts and unexpired leases. The Class 6 Allowed Claims total \$69,185, with each of twelve (12) quarterly payments commencing on the Effective Date in the amount of \$5,765.

CLASS 7. The Allowed Unsecured Claim of insider Anthony Ingrassia will receive no payments under the Plan.

IV. FUNDING AND ADMINISTRATION OF THE PLAN

The Plan is to be implemented consistent with § 1123 of the Code. The Plan will be funded by (a) the post-confirmation revenues and assets of the reorganized Debtors and (b) funding provided by non-debtor Strong-Basile Funeral Home, being all of its net operating income for the ten year period commencing on the Effective Date.

The Effective Date of the Plan is the date on which the Order of the Bankruptcy Court confirming the Debtor's Plan (the "Confirmation Order") becomes a Final Order. Certain plan distributions will be made by the Debtor starting on the Effective Date. For more specific details on distribution dates, holders of claims are advised to refer to the Plan.

Pursuant to 28 U.S.C. §1930, any unpaid balances due the United States Trustee will be paid on or before the Effective Date of the Plan, and fees payable under §1930 will continue to be paid until such time as the case is converted, dismissed or closed by court order. Debtor will file postconfirmation operating reports pursuant to the United States Trustee Operating Guidelines until such time as the case is closed.

V. FINANCIAL INFORMATION RESPECTING THE POSTCONFIRMATION DEBTOR

A projection of post-confirmation cash flow for the Debtor is annexed as Exhibit “B”. A projected post-confirmation balance sheet is annexed as Exhibit “C”.

VI. TAX CONSEQUENCES

A. Certain Federal Income Tax Consequences

The following discussion is a summary of certain U.S. federal income tax consequences of the Plan to the Debtor and to Holders of Claims and Equity Interests. This discussion is based on the Tax Code, Treasury Regulations promulgated and proposed thereunder, judicial decisions and published administrative rules and pronouncements of the IRS, all as in effect on the date hereof.

Due to the complexity of certain aspects of the Plan, the lack of applicable legal precedent, the possibility of changes in the law, the differences in the nature of the Claims, and each Holder’s status and method of accounting and/or the potential for disputes as to legal and factual matters with the IRS, the tax consequences described herein are uncertain. No legal opinions have been requested from counsel with respect to any of the tax aspects of the Plan and no rulings have been or will be requested from the IRS with respect to any of the issues discussed below. Further, legislative, judicial or administrative changes may occur, perhaps with retroactive effect, which could affect the accuracy of the statements and conclusions set forth below as well as the tax consequences to the Debtor and the Holders of Claims and Equity Interests.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtor or the Holders of Claims or Equity Interest in light of their personal circumstances, nor does the discussion deal with tax issues with respect to taxpayers subject to special treatment under the U.S. federal income tax laws (including, for example, insurance companies, financial institutions, real estate investment trusts, tax-exempt organizations, small business investment companies, regulated investment companies, foreign taxpayers, personal whose functional currency is not the U.S. dollar, persons subject to the alternative minimum tax, and persons holding Claims or Interests as part of a “straddle,” “hedge,” “constructive sale” or “conversion transaction” with other investments). This discussion does not address the tax consequences to Holders of Claims who did not acquire such Claims at the issue price on original issue. No aspect of foreign, state, local or estate and gift taxation is addressed.

B. Tax Consequences to the Holders of the Equity Interests in the Debtor.

Pursuant to the Tax Code and subject to certain exceptions, a taxpayer generally must recognize income from cancellation of debt income (“COD Income”) to the extent that such taxpayer’s indebtedness is discharged for an amount less than the indebtedness’ adjusted issue price determined in the manner described below. Generally, the amount of COD Income, subject

to certain statutory and judicial exceptions, is the excess of (i) the adjusted issue price of the discharged indebtedness less (ii) the sum of the fair market value (determined at the date of the exchange) of the consideration, if any, given in exchange for such discharged indebtedness.

The recognition of COD Income may be treated differently in the context of a confirmed chapter 11 plan. For example, under the Bankruptcy Exception, instead of recognizing COD Income, the taxpayer is required, pursuant to section 108(b) to reduce certain of that taxpayer's tax attributes to the extent of the amount of COD Income. The attributes of the taxpayer generally are reduced in the following order: net operating losses, general business and minimum tax credit carry forwards, capital loss carry forwards, the basis of the taxpayer's assets and, finally, foreign tax credit carry forwards (collectively, "Tax Attributes"). If the amount of COD Income exceeds that amount of Tax Attributes available to be reduced, the excess still is excluded from income. Pursuant to section 108(b)(4)(A), the reduction of Tax Attributes does not occur until the end of the taxable year after such Tax Attributes have been applied to determine the tax in the year of discharge or, in the case of asset basis reduction, the first day of the taxable year following the taxable year in which the COD Income is realized. Section 108(e)(2) provides a further exception to the recognition of COD Income upon the discharge of debt. Providing that a taxpayer will not recognize COD Income to the extent that the taxpayer's satisfaction of the debt would have given rise to a deduction for United States federal income tax purposes.

C. Tax Consequences to Creditors.

Generally, a Holder of a Claim should in most, but not all circumstances, recognize gain or loss equal to the difference between the "amount realized" by such Holder in exchange for its Claim and such Holder's adjusted tax basis in the Claim. The "amount realized" is equal to the sum of the cash and the fair market value of any other consideration received under a plan of reorganization in respect of a Holder's Claim. The tax basis of a Holder in a Claim will generally be equal to the Holder's cost. To the extent applicable, the character of any recognized gain or loss (e.g., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the Holder, the nature of the Claim in the Holder's hands, the purpose and circumstances of its acquisitions, the Holder's holding period of the Claim, and the extent to which Holder previously claimed a deduction for the worthlessness of all or a portion of the Claim. Generally, if the Claim is a capital asset in the Holder's hands, any gain or loss realized generally will be characterized as capital gain or loss, and will constitute long-term capital gain or loss if the Holder has held such Claim for more than one year.

A Holder who received Cash (or potentially other consideration) in satisfaction of its Claims may recognize ordinary income or loss to the extent that any portion of such consideration is characterized as accrued interest. A Holder who did not previously include in income accrued but unpaid interest attributable to its Claim, and who receives a distribution on account of its Claim pursuant to the Plan, will be treated as having received interest income to the extent that any consideration received is characterized for United States federal income tax purposes as interest, regardless of whether such Holder realizes an overall gain or loss as a result of surrendering its Claim. A Holder who previously included in its income accrued but unpaid interest attributable to its Claim should recognize an ordinary loss to the extent that such accrued but unpaid interest is

not satisfied, regardless of whether such Holder realizes an overall gain or loss as a result of the distribution it may receive under the Plan on account of its Claim.

D. Importance of Obtaining Professional Tax Assistance.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

VII. CERTAIN ADDITIONAL RISK FACTORS TO BE CONSIDERED

Prior to voting on the Plan, each holder of a Claim entitled to vote should consider carefully the risk factors described below, as well as all of the information contained in this Plan and Disclosure Statement, including the Exhibits thereto. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation.

A. Risk of Non-Confirmation of Plan.

Although the Debtor believes that Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for confirmation or that such modifications would not necessitate a re-solicitation of votes.

B. Delays of Confirmation and/or Effective Date.

Any delay in confirmation and effectiveness of the Plan could result in, among other things, a reduction in the value of the assignments to Three Cities and in increased Administrative Expense Claims for the estate. These or any other negative effects of delays in confirmation or effectiveness of the Plan could endanger the ultimate approval of the Plan by the Bankruptcy Court.

C. Alternative Plan.

If the Plan is not confirmed, the Debtor, or any other party in interest could attempt to formulate a different plan. However, the additional costs, all of which would constitute Administrative Expense Claims may be so significant that one or more parties in interest could request that the Chapter 11 Case be converted to chapter 7. Accordingly, the Debtor believes that the Plan enables creditors to realize the best return under the circumstances.

VIII. COMPARISON WITH CHAPTER 7 LIQUIDATION

One of the conditions for confirmation of a Chapter 11 plan of reorganization is that the distributions under the plan must not be less than the distributions that creditors would receive in a hypothetical Chapter 7 liquidation as of the Effective Date of the Plan. This is known as the 'liquidation analysis'. If the assets of the Debtor were liquidated in a case under chapter 7 of the Bankruptcy Code, the Debtors would cease operations. Secured creditor Orange Bank & Trust Company would immediately seek and promptly obtain relief from the automatic stay of Bankruptcy Code § 362(a) pursuant to Bankruptcy Code § 362(d)(1) and 362(d)(2), and would move to re-notice the foreclosure sales of the Debtors' real properties in relatively short order. A chapter 7 trustee would collect the Debtors' accounts receivable, and pay the Debtors' postpetition accounts payable. The latter, due to the interruption in the Debtors' operations and given the nature of Debtors' funeral business, would be significantly higher than the average payable amounts in recent months. The filed priority tax claims would consume the great majority of receivables collections, leaving little or nothing available for distribution for non-priority unsecured creditors after the fees and expenses allowed to the chapter 7 trustee and any professionals retained by the chapter 7 trustee. *See* Liquidation Analysis, annexed as Exhibit "D".

The Debtor's Plan provides for a 100% dividend to the Debtor's unsecured creditors, rather than paying them little to nothing in the event of a liquidation. Distributions under the Plan are greater than the distributions that unsecured creditors would likely receive in a liquidation of the Debtor's assets.

IX. DISCHARGE

The Debtors will receive a discharge of prepetition claims against them and their property under the Plan, pursuant to Bankruptcy Code sections 1141 and 524. Creditors will receive the rights granted to them under the Plan in exchange for prepetition rights against the Debtors and the Debtors' property as of the commencement of the case.

X. SOLICITATION OF AFFIRMATIVE VOTES

The Debtor respectfully solicits ballots ACCEPTING the Plan from all Holders of Claims in Classes 4 through 6.

Dated: Middletown, NY
November 5, 2017

Ralston Dippincott-Hasbrouck-Ingrassia
Funeral Home, Inc.

By:


Anthony Ingrassia, President

Lippincott-Ingrassia Funeral Home, Inc.

By:


Anthony Ingrassia, President

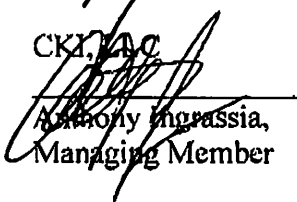
Lippincott Funeral Chapel, Inc.

By:


Anthony Ingrassia, President

CKI, LLC

By:


Anthony Ingrassia,
Managing Member

Prepared by:

Hayward, Parker, O'Leary & Pinsky
Attorneys for Debtor
225 Dolson Ave., Box 929
Middletown, New York 10940
Tel. 845 343-6227
Mike Pinsky, Esq.

Ridston-Lippincott-Hasbrouck-Ingrassia Funeral Home, Inc.
Jointly Administered Chapter 11 Case No. 17-35114 (cgm)
Disclosure Statement to Accompany Debtors' Joint Plan of Reorganization