

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re 344 South Street Corporation,  
Debtor

Case No. 15-18278 (ELF)

Small Business Case under Chapter 11

**DEBTOR’S AMENDED DISCLOSURE STATEMENT, DATED DECEMBER 9, 2016**

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## I. INTRODUCTION

This is the disclosure statement (the “Disclosure Statement”) in the small business chapter 11 case of 344 South Street Corporation (“Debtor”). This Disclosure Statement contains information about the Debtor and describes the Debtor’s Plan of Reorganization (the “Plan”) filed by Debtor on December 9, 2016. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. ***Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

The proposed distributions under the Plan are discussed at pages - of this Disclosure Statement. General unsecured creditors are classified in Class 3, and will receive a distribution of 35 % of their allowed claims, to be distributed in equal monthly interval payments beginning February 1, 2017, and ending on November 17, 2020.

### A. Purpose of This Document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

### B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

#### *1. Time and Place of the Hearing to [Finally Approve This Disclosure Statement and] Confirm the Plan*

The hearing at which the Court will determine whether to approve this Disclosure Statement and confirm the Plan will take place on \_\_\_\_\_, at \_\_\_\_\_, in Courtroom #1, at the United States Bankruptcy Court for the Eastern District of Pennsylvania, 900 Market Street, Suite 400, Philadelphia, PA 19107.

2. *Deadline For Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to Raheem S. Watson, Esquire, 1700 Market Street, Ste. 1005, Philadelphia, PA 19103, counsel for the Debtor. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by \_\_\_\_\_, 2017 or it will not be counted.

3. *Deadline For Objecting to the [Adequacy of Disclosure and] Confirmation of the Plan*

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon Debtor's attorney Raheem S. Watson, Esquire, 1700 Market Street, Ste. 1005, Philadelphia, PA 19103 by \_\_\_\_\_, 2017.

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact:

Raheem S. Watson, Esquire  
1700 Market Street, Ste. 1005  
Philadelphia, PA 19103  
(215) 703-5380 (T)  
(215) 703-5410 (F)  
[rwatson@watsonllc.com](mailto:rwatson@watsonllc.com)  
*Attorney for Debtor*

C. **Disclaimer**

**THE COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT IS SUBJECT TO FINAL APPROVAL AT THE HEARING ON CONFIRMATION OF THE PLAN. OBJECTIONS TO THE ADEQUACY OF THIS DISCLOSURE STATEMENT MAY BE FILED UNTIL \_\_\_\_\_, 2017**

II. **BACKGROUND**

A. **Description and History of the Debtor's Business**

344 South Street Corporation d/b/a "Copabanana" is a closely-held Pennsylvania corporation operating as a restaurant with a Caribbean style theme. The business has been in operation since 1978 operating in out of the same location. Born in the halcyon days of the original South Street Renaissance 37 years ago, Copabanana has become a true Philadelphia institution with generations of loyal fans. Starting as a tiny pub with a kitchen in the window the restaurant has grown over the years to include five storefronts and an outside sidewalk cafe — and now a separate new wine and beer bistro.

The menu — which pioneered gourmet burgers, fresh lime margaritas and the original Spanish fries — has grown, too. The signature burgers, fries and margaritas remain the big draw but the menu now includes imaginative tapas and dinners with a tropical flair. A long parade of "best" awards have honored the Copa over the years including the most recent Zagat's guide. Long a hangout for South Street's bohemian artists and musicians, the Copa also attracts a diverse mix of young professionals, neighborhood residents and tourists from around the world.

Located on the corner of Fourth and South across from the equally famous Jim's Steaks, the Copa is a popular spot for concertgoers to the nearby TLA and Legendary Dobbs venues. Copabanana was founded by former Inquirer Columnist Bill Curry who was later joined by his nephew Dan Christensen, and Joe Cucolo. In 2015, Copabanana was joined by Restaurantor Nicholas DiVentura as a shareholder.

**B. Insiders of the Debtor**

<b>Name of Insider</b>	<b>Compensation Paid 2014</b>	<b>Compensation Paid 2015</b>
William Curry	\$18,200.00	\$18,200.00
Nicholas DiVentura	N/A	\$22,590.00
Dan Christiansen	\$16,850.00	\$16,850.00
Joseph Cucolo	\$9,785.00	\$9,785.00

**C. Management of the Debtor Before and During the Bankruptcy**

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the “Managers”) were

Nicholas DiVentura (2015)  
 Dan Christiansen

The Managers of the Debtor during the Debtor’s chapter 11 case have been:

Nicholas DiVentura  
 Dan Christiansen (2015)

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the “Post Confirmation Managers”), will be:

By vote of the shareholders, Nicholas DiVentura will perform the duties as post-confirmation general manager. Daniel Christiansen will no longer serve as a manager of the Debtor.

**D. Events Leading to Chapter 11 Filing**

Prior to the filing of Debtor’s Chapter 11 Petition on November 17, 2015, Debtor was facing the revocation of its operating license due to outstanding tax obligations owed to the City of Philadelphia in excess of \$730,000.00 (including interest and penalty). Debtor was unable to satisfy these outstanding tax obligations with the City, and facing a possible closure, Debtor’s only recourse was to file for bankruptcy protection.

**E. Significant Events During the Bankruptcy Case**

- i. Upon filing of Debtor's Chapter 11 Petition, the law firm of Watson LLC, Raheem S. Watson, Esquire was approved by the Court as Counsel for the Debtor.
- ii. Since the filing of the Bankruptcy, upon motion by Debtor, City of Philadelphia, and Secured Creditor Rewards Network, the court has approved four cash collateral orders to allow Debtor to operate.
- iii. In order to improve operations, Debtors has reduced its staff to cut costs, increased direct marketing to improve revenue from operations.
- iv. Debtor is also expanding operations by utilizing current unused restaurant space to accommodate more patrons. By utilizing more space to accommodate additional Patrons, Debtor anticipates revenues should increase by approximately 20 percent.

**F. Projected Recovery of Avoidable Transfers**

The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

**G. Claims Objections**

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

**H. Current and Historical Financial Conditions**

The identity and fair market value of the estates assets are listed in Exhibit B.

The Debtor's most recent financial statements [if any] issued before bankruptcy, each of which was filed with the Court, are set forth in Exhibit C.

The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case are set forth in Exhibit D.

**III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

**A. What is the Purpose of the Plan of Reorganization?**

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

**B. Unclassified Claims**

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

*1. Administrative Expenses*

Administrative expenses are costs or expenses of administering the Debtor’s chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a claimant agrees to a different treatment.

The following chart lists the Debtor’s estimated administrative expenses, and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$4,900.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	\$28,575.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk’s Office Fees	\$0	Paid in full on the effective date of the Plan
Other administrative expenses		Paid in full on the effective date of the Plan or according to separate written
Office of the U.S. Trustee	\$4,875.00	Paid in full on the effective date of the
<b>TOTAL</b>	<b>\$38,350.00</b>	

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart lists the Debtor’s estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

Class	Creditor	Claim Amount	Claim Type	Impaired/Unimpaired	Treatment
1	City of Philadelphia	\$719,406.60	Priority	Impaired	<p>The City of Philadelphia’s (“City”) Priority Claim tax claim of \$719,406.60 is impaired by Stipulation of the parties. By agreement of the parties, Debtor shall pay City a total priority claim amount of \$486,207.66. Payments are allocated as follows: (a) lump sum payments of \$56,976.10 on 2/1/2017, 3/1/ 2017, 4/1/2017; (b) one payment of \$46,623.08 on 5/1/2017; (c) 41 additional payments of \$6,976.10 upon the effective date of this Plan as defined in Article VII, or the date on which such claim is allowed by a final non- appealable order through 11/17/2020. All payments to the City include interest payments of 3% on the total impaired priority claimed amount.</p> <p><b><u>Payment Schedule</u></b></p> <p>Amount = \$486,207.66                      Interest = 3.00%                      Pmt 2/1/2017 = \$56,976.10                      Pmt 3/1/2017 = \$56,976.10                      Pmt 4/1/2017 = \$56,976.10                      Pmt 5/1/2017 = \$46,623.08                      Monthly Pmts 6/1/2017 – 11/17/2020 = \$6,976.10                      Total Payment = \$503,571.47</p>
1	Internal Revenue Service	\$130, 065.29	Priority	Unimpaired	<p>The Internal Revenue Service’s Priority Tax Claim of \$130, 065.29 is unimpaired. Debtor will pay 45 monthly payments with 3% annual interest in the amount of \$3,059.27 commencing on 2/1/2017, or upon the later of the effective date of this Plan as defined in Article VII, or the date on which such claim</p>

					<p>is allowed by a final non-appealable order through 11/17/2020. Total payments on IRS's priority tax claims is \$137,667.15.</p> <p><b><u>Payment Schedule</u></b></p> <p>Amount = \$130,065.29                  Interest = 3.00%                  Monthly Payment = \$3,059.27                  Total Payment = \$137,667.15                  Begin Date = 2/1/2017                  End Date = 11/17/2020</p>
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**C. Classes of Claims and Equity Interests**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

*1. Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class	Creditor	Claim Amount	Claim Type	Impaired/Unimpaired	Treatment
2	<b>Rewards Network, Inc.</b>	\$119,875.66  <b>Collateral description</b>  <i>Cash, Accounts,                      Equipment, Inventory</i>  Allowed Secured Amount \$119,875.66  Priority of lien  Principal owed \$ 119,875.66  Total claim \$119,875.66	Secured	Unimpaired	Rewards Network's allowed secured claim shall be paid in accordance with the Agreement executed between Debtor and Creditor, which is being assumed pursuant to 11 U.S.C. § 365 pursuant to this Plan.



The following chart lists all classes containing Debtor’s secured prepetition claims and their proposed treatment under the Plan:

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

There are no claims for priority unsecured claims pursuant to §§ 507(a)(1), (4), (5), (6), and (7) in this plan.

3. *Class of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan’s proposed treatment of the Class through, which contain general unsecured claims against the Debtor:

Class	Creditor	Claim Amount	Claim Type	Impaired/Unimpaired	Treatment
3	General Unsecured	\$436,333.63	Unsecured	Impaired	<p>Class 3 is impaired by this Plan. General unsecured claims will be paid thirty-five percent (35%) of the allowable claimed amount, commencing 2/1/2017, or upon the later of the effective date of this Plan as defined in Article VII, or the date on which such claim is allowed by a final non-appealable order through 11/17/2020 to be paid in 45 monthly payment of \$3,592.40, which includes an annual 3.00% interest rate. Total payments to Class 3 shall be \$161,658.00</p> <p><b><u>Payment Schedule</u></b></p> <p>Amount = \$152,716.60                      Interest = 3.00%                      Monthly Payment = \$3,592.40                      Total Payment = \$161,658.00                      Begin Date = 2/1/2017                      End Date = 11/17/2020</p>

4. *Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company (“LLC”), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

The following chart sets forth the Plan’s proposed treatment of the of equity interest holders:

Class	Creditor	Claim Amount	Claim Type	Impaired/Unimpaired	Treatment
4	Equity Security Holders		Unsecured	Impaired	Equity interest holders are all insiders. No payments to Equity Interest Holders to be made under the Plan.

**D. Means of Implementing the Plan**

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following:

- a) Debtor will fund the Plan through cash flow from operations of the business.
- b) Debtor will also receive cash injections totaling \$200,000.00 from shareholder Nicholas DiVentura to fund this plan.

2. *Post-confirmation Management*

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Insider (yes or no)?	Position	Compensation
Nicholas DiVentura	Yes	Operating Manager	\$1500 per week

**E. Risk Factors**

- 1) The Debtor’s business is seasonal. A significant portion of Debtor’s sales occurs in the months April through October. Revenue significantly declines during the months November through March. The seasonal fluctuation in revenue could impact Debtor’s Plan of reorganization.
- 2) In 2016, Debtor was administratively closed three (3) times by the City of Philadelphia Health Inspector for health violations. These closures were costly for Debtor as no revenue accrues to the business during these periods. If these closures continue, this could threaten Debtors business as a going concern, and Debtor’s ability to fund the Plan. Debtor, through the management of new general manager Nicholas DiVentura has taken proactive measures to prevent further health violation closures. All violations have been corrected, and the business is currently operating.

- 3) After the filing of the bankruptcy, Debtor's principal manager, Daniel Christiansen was charged with and recently pled guilty to wire fraud in connection with his improper removal of \$1.4 million from the bank account of the South Street Headhouse District. Mr. Christensen is expected to be sentenced in December and he could face significant jail time that could stretch over the life of the Debtor's proposed bankruptcy plan.
- 4) The criminal issues notwithstanding, Mr. Christiansen is also suffering from serious health issues that could significantly impact his ability to participate in the management of the business post-confirmation.

#### **F. Executory Contracts and Unexpired Leases**

The Plan lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in the Plan will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

***[The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract Is December 31, 2016.*** Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.]

#### **G. 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.***

The following are the anticipated tax consequences of the Plan: (1) Tax consequences to the Debtor of the Plan; (2) General tax consequences on creditors of any discharge, and the general tax consequences of receipt of plan consideration after confirmation.

### **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: The Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

## A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that the unsecured claims and equity security claims are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that the class of priority tax claims and secured claims are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

### 1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

### 2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

### 3. *Who is **Not** Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and

- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

***Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan [and to the Adequacy of the Disclosure Statement].***

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

**B. Votes Necessary to Confirm the Plan**

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by a cram down on non-accepting classes, as discussed later in Section [B.2.].

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Non-accepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a cram down plan. The Code allows the Plan to bind non-accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

***YOU SHOULD CONSULT YOUR OWN ATTORNEY IF A CRAM DOWN CONFIRMATION WILL AFFECT YOUR CLAIM OR EQUITY INTEREST, AS THE VARIATIONS ON THIS GENERAL RULE ARE NUMEROUS AND COMPLEX.***

**C. Liquidation Analysis**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit E.

## **D. Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

### *1. Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit F.

### *2. Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit G.

The Plan Proponent's financial projections show that the Debtor will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes. The final Plan payment is expected to be paid on 11/17/2020.

***YOU SHOULD CONSULT WITH YOUR ACCOUNTANT OR OTHER FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS PERTAINING TO THESE PROJECTIONS.***

## **V. EFFECT OF CONFIRMATION OF PLAN**

### **A. DISCHARGE OF DEBTOR**

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

### **B. Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

**C. Final Decree**

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

/s/ Nicholas DiVentura

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[Signature of the Plan Proponent]



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[Signature of the Attorney for the Plan Proponent]

**EXHIBITS**