

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

IN RE: Chapter 11
LAKE NAOMI REAL ESTATE, INC., Case No.: 5:17-bk-03138-JJT
Debtor. Small Business Case under Chapter 11
_____ /

LAKE NAOMI REAL ESTATE INC.'S DISCLOSURE STATEMENT

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I. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the small business chapter 11 case of LAKE NAOMI REAL ESTATE, INC., (the "Debtor"). This Disclosure Statement contains information about the Debtor and describes the Plan of Reorganization (the "Plan") filed by the Debtor on September 18, 2017. A full copy of the Plan is attached to this Disclosure Statement as *Exhibit A* and incorporated herein by reference. ***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 9-13 of this Disclosure Statement. **General unsecured creditors are classified in Class 6, and will receive a distribution of 100% of their allowed claims.**

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 [the Proponent] 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 finally approve this Disclosure Statement and confirm the Plan will take place at 9:30 a.m, or such other time as ordered by the Court, in Bankruptcy Courtroom No. 2, at the Max Rosenn United States Courthouse, 197 South

Main Street, Wilkes-Barre, Pennsylvania 18701, on the date set forth on the Order of the Bankruptcy Court that accompanies this Disclosure Statement.

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 Buddy D. Ford, Esquire, 9301 W. Hillsborough Avenue, Tampa, Florida 33615-3008. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by the date on Order of the Bankruptcy Court that accompanies this Disclosure Statement 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 the Debtor by the date on Order of the Bankruptcy Court that accompanies this Disclosure Statement. .

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

If you want additional information about the Plan, you should contact David J. Harris, Esquire, 69 Public Square, Suite 700, Wilkes-Barre, PA 18701, Telephone (570)823-9400 and Buddy D. Ford, Esquire, 9301 W. Hillsborough Avenue, Tampa, Florida 33615-3008, Telephone #813-877-4669.

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 the date on the Order of the Bankruptcy Court that accompanies this Statement.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is a corporation organized under Pennsylvania law. It was incorporated on November 6, 1987. The Debtor's business is located at 1904 PA-940 #101, Pocono Pines, Pennsylvania 18344. The Debtor operates a real estate brokerage that specializes in selling, re-selling, leasing, and rental of real property in the Pocono Mountains of Northeast Pennsylvania known as the Lake Naomi and Timber Trails Communities. The business is seasonal consisting of the summer season and the winter ski season.

B. Insiders of the Debtor

Thomas W. Fiers is the sole owner of the Debtor.

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: Thomas W. Fiers.

The Managers of the Debtor during the Debtor's chapter 11 case have been: Thomas W. Fiers.

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: Thomas W. Fiers. The responsibilities and compensation of these Post Confirmation Managers are described in section III D of this Disclosure Statement. Mr Fiers is a Real Estate Broker and will continue to receive commissions as a broker post-Confirmation.

D. Events Leading to Chapter 11 Filing

Several factors precipitated the Debtor's Chapter 11 bankruptcy filing, to include, but are not limited to, the real estate market in the Pocono region being depressed for the past two (2) years. Although the Debtor had booking rentals for the summer season which began in May, and has several pending closings of real estate, the Debtor is experiencing a cash shortage.

In addition, the Debtor has accrued substantial attorneys' fees due to an investigation by the Pennsylvania Department of Labor into a profit sharing plan under which the Debtor is both the sponsor and administrator.

Lake Naomi Real Estate, Inc. specializes in the resale and rental of homes in the Lake Naomi and Timber Trails communities of the Pocono Mountains. The community was started in 1964 and now contains over 2,000 homes. Thomas W. Fiers and his brother sold the first lot in Lake Naomi and Timber Trails in 1973.

The business is seasonable, consisting of the summer season when families are on vacation and the winter ski season. Presidents' week in February can be as busy as the Fourth of July week. In addition, the foliage in the fall contributes significantly to the tourist rentals. The weather also has a strong influence on the business. As an example, last winter (2016), produced only two snow falls which adversely affected customer traffic and the Debtor's revenue. The Debtor established lines of credit to help during the times of cash

interruption. A few years ago, Debtor took out a loan with a lender that offered 6% interest terms. Unfortunately, there was a clause that allowed the interest to be accelerated if payments were late. The result was the Debtor being charged nearly \$500.00 per day in interest charges.

E. Significant Events During the Bankruptcy Case

Post-petition, Debtor had pending sales under contract totaling \$2,863,000.00. Two additional contracts were signed in mid-August, 2017, increasing the pending total to \$3,247,500.00.

The Debtor's Projections for the following 5 years indicate sales to increase at an historical rate of 5.5% per year. And, with mortgage rates remaining modest, Debtor anticipates that the business will prosper into the foreseeable future.

F. Projected Recovery of Avoidable Transfers

The Debtor does not have any 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, even after confirmation of its chapter 11 plan of reorganization. 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 estate's assets are listed in *Exhibit B* attached hereto and incorporated herein by reference.

Pre-petition financial statements as set forth in *Exhibit C* attached hereto and incorporated herein by reference. A summary of the Debtor's Monthly Operating Reports filed since the commencement of the Debtor's Bankruptcy case is set forth in *Exhibit C & D* attached hereto and incorporated herein by reference.

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 particular claimant agrees to a different treatment.

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

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	All post-petition taxes	Paid in full on the Effective Date of the Plan, or as they become due or as agreed by the parties
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	None	Paid in full on the Effective Date of the Plan, or as they become due or as agreed by the parties
Professional Fees, as approved by the Court in this case	\$50,000.00	Paid in full on the Effective Date of the Plan, or as they become due or as agreed by the parties
Clerk's Office Fees	None	Paid in full on the effective date of the Plan
Other administrative expenses	None	Paid in full on the effective date of the Plan
Office of the U.S. Trustee Fees	Quarterly fees pursuant to 28 U.S.C. § 1930(a)(6)	Paid in full on the effective date of the Plan and until case is closed or converted
TOTAL	\$50,00000	

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:

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
Internal Revenue Service	\$0.00 (Does not include Administrative Expense, if any, which will be paid as designated in Section B.1. above.)	No assessment	If it is determined that a priority unsecured claim exists, the Debtor shall pay 1/60 th of the Allowed Priority Unsecured Claim of the Internal Revenue Service per month plus the greater of 3% simple interest or statutory interest on the outstanding principal balance for a period of 60 months from the date of filing, <u>whichever is greater or as is agreed upon by the parties.</u>
PA Department of Revenue	\$0.00 as of the date of this Disclosure Statement (Does not include Administrative Expense, if any, which will be paid as designated in Section B.1. above.)	No assessment	1/60th of the Allowed Priority Unsecured Claim of the PA Department of Revenue per month plus the greater of 3% simple interest or statutory interest on the outstanding principal balance for a period of 60 months from the date of filing, whichever is greater or as is agreed upon by the parties.

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 pre-petition claims and their proposed treatment under the Plan:

Class #	Description	Insider? (Yes or No)	Impairment	Treatment
3	Secured Claim of De Lage Landen (Copier - POC4) - \$2,026.68	No	Impaired	This creditor shall be paid in accordance with the terms of its contract post-confirmation, except as modified by this Plan and the Confirmation Order. Any pre-confirmation arrearages will be amortized in the payments post-confirmation. This creditor shall retain its lien post-confirmation to the same extent and validity as existed pre-petition.
4	Secured Claim of Chase (Jaguar - POC5) - \$62,355.52	No	Impaired	This creditor shall be paid in accordance with the terms of its contract post-confirmation, except as modified by this Plan and the Confirmation Order. Any pre-confirmation arrearages will be amortized in the payments post-confirmation. This creditor shall retain its lien post-confirmation to the same extent and validity as existed pre-petition.
5	Secured Claim of Quick Bridge (Receivables - Sch) - \$39,000.00	No	Impaired	This creditor shall be paid in accordance with the terms of its contract post-confirmation, except as modified by this Plan and the Confirmation Order. Any pre-confirmation arrearages will be amortized in the payments post-confirmation. This creditor shall retain its lien post-confirmation to the same extent and validity as existed pre-petition.

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.

The following chart lists all classes containing claims under §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code and their proposed treatment under the Plan:

Class #	Description	Impairment	Treatment
1	IRS (POC3)	Unimpaired	If it is determined that a priority unsecured claim exists, the Debtor shall pay 1/60th of the Allowed Priority Unsecured Claim of the Internal Revenue Service per month plus the greater of 3% simple interest or statutory interest on the outstanding principal balance for a period of 60 months from the date of filing, whichever is greater or as is agreed upon by the parties.
2	US Dept. Of Labor (POC1)	Unimpaired	Class 2 is unimpaired by this Plan. The Debtor disputes the DOL has any claim. They filed Claim #1 in an unknown, unliquidated amount. In the event the DOL's investigation determines the Debtor, as a Plan Sponsor, owes any money to the Pension Plan or its participants, and the Debtor agrees with the DOL's determination, the payments required will be made directly to the Plan or, if appropriate, to the participants.
1	PA Dept. Of Revenue (Sch)	Unimpaired	If it is determined that a priority unsecured claim exists, the Debtor shall pay 1/60th of the Allowed Priority Unsecured Claim of the Internal Revenue Service per month plus the greater of 3% simple interest or statutory interest on the outstanding principal balance for a period of 60 months from the date of filing, whichever is greater or as is agreed upon by the parties.

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 Class 6, which contains general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
6	General Unsecured Class IRS (POC3) = \$500.00 American Express (POC2) - \$4,892.35 Saul Ewing, LLP (POC6) - \$57,596.50 PNC Bank (POC7) - \$50,591.35 PNC Bank (POC8) - \$30,661.13 GF Pension (POC9) - \$6,604.50 Bofl Federal Bank / Quick Bridge Funding (Sch) - Unliquidated - \$39,000.00 All New LLC (Sch) - Disputed - Unknown Broughal & Devito (Sch) - Unliquidated - \$265.00 CitiCard (Sch) - Unliquidated - \$4,500.00 Sam's Club/Synchrony (Sch) - Unliquidated - \$299.78	Impaired	100% of their Allowed claim, without interest, in sixty (60) equal monthly installments commencing 30 days from the entry of the Effective Date of the Plan.

The Absolute Priority Rule. The Debtor's Plan, as presently drafted, does not violate the Absolute Priority Rule and the Debtor's Chapter 11 Plan and can be confirmed over the objections of unsecured creditors. The Absolute Priority Rule provides that a Chapter 11 plan is "fair and equitable" regarding a dissenting class of unsecured claims if the plan provides that each holder of a claim in such class is effectively paid in full, or failing that, that *no holder of any claim or interest that is junior to the dissenting class will retain any property under the plan.* This applies in the so-called "cram-down" scenarios in which a class of unsecured creditors has voted to reject a Chapter 11 plan.

4. *Class of 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 class of equity interest holders:

Class # 7	Description	Impairment	Treatment
Thomas W. Fiers	Equity interest holders	Unimpaired	Retain

D. Means of Implementing the Plan

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following: from the Debtor's operating income or from rental payments received by, or paid directly to creditors by the Debtor, or its principle, Thomas W. Fiers.

Post-confirmation Management

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

Name	Affiliations	Insider (yes or no)?	Position	Compensation
Thomas W. Fiers	Owner and Real Estate Broker	Yes	Owner	Commissions Rents, if any

E. Risk Factors

The proposed Plan has the following risks:

The viability of this Plan rest upon the net cash flow of the Debtor's business operations.

F. Executory Contracts and Unexpired Leases

The Plan, in Paragraph 6.1, 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. Paragraph 6.1 also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

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 Paragraph 6.1 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.

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.

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 classes 3, 4, 5, and 6 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 classes 1 and 2 are unimpaired and that holders of claims in each of this class, 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.

The deadline for filing a proof of claim in this case was July 17, 2017

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 "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 "cramdown" 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*** and incorporated herein by reference.

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*** and incorporated herein by reference.

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***.

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 re-voting 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.

D. Exhibits (Attached hereto)

DATED on this 15th day of September, 2017.

LAKE NAOMI REAL ESTATE, INC.,

/s/ Thomas W. Fiers

Thomas W. Fiers, President

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18th day of September, 2017, a true and correct copy of the foregoing *Disclosure Statement* has been furnished by ■ CM/ECF Electronic Mail to:

Jonathan J. Bart, Esquire, *Attorney for Stephen Donnarumma and Marie D. Barbuto*, jbart@wilentz.com
David J. Harris, Esquire, *Attorney for Debtor*, dh@lawofficeofdavidharris.com
United States Trustee ustpreion03.ha.ecf&usdoj.gov

and, by ■ U.S. Regular Mail to:

Lake Naomi Real Estate, Inc., Attn: Thomas Fiers, 4400 45th Street S., St. Petersburg, FL 33711
Internal Revenue Service, Post Office Box 7346, Philadelphia, PA 19101-7346;
Branch of Reorganization, Atlanta Regional Office, United States Securities & Exchange Commission,
950 East Paces Ferry Road, N.E., Suite 900, Atlanta, GA 30326-1382
Pennsylvania Department of Revenue, Department 280946, Attn: Bankruptcy Division,
Harrisburg, PA 17128-0946
Unemployment Compensation Tax Matters, Wilkes-Barre Cases, Department of Labor and Industry, Office of
Chief Counsel, Scranton Regional Office, 100 Lackawanna Avenue, Scranton, PA 18503
Twenty (20) Largest Unsecured Creditors.

BUDDY D. FORD, P.A.,

/s/ Buddy D. Ford

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