

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA**

In re: Bankruptcy Case No. 15-24221 TPA

Joseph Satira, Chapter 11

Debtor

**AMENDED DISCLOSURE STATEMENT IN
SUPPORT OF AMENDED PLAN OF
REORGANIZATION FILED BY JOSEPH
SATIRA DATED JUNE 6, 2016**

Joseph Satira (“Debtor”) herein, presents this Amended Disclosure Statement to Creditors in the above-captioned matter pursuant to 11 U.S.C. § 1125 to assist them in evaluating the Amended Plan of Reorganization filed by Joseph Satira dated June 6, 2016 (the “Plan”), a copy of which is attached hereto. Creditors may vote for or against the Plan. Creditors who wish to vote must complete their ballots and return them to the following address before the deadline noted in the order approving the Disclosure Statement and fixing said time. (The Court will schedule a hearing on the Plan pursuant to 11 U.S.C. § 1129). **ONLY the votes of Creditors that actually vote in favor of or against the Plan will be considered in determining whether the Plan is accepted or rejected.** Capitalized terms herein shall have the same meanings as those set forth in Article I of the Plan.

ADDRESS FOR RETURN OF BALLOTS:

**Christopher M. Frye, Esquire
Suite 2830 Gulf Tower
707 Grant Street
Pittsburgh, PA 15219
412- 391-8000
chris.frye@steidl-steinberg.com
Counsel for Debtor**

- A. Creditors may vote to accept or reject the Plan. Only the votes of Creditors that actually vote in favor of or against the Plan will be considered in determining whether the Plan is accepted or rejected.
- B. A Class of Creditors shall be determined to have accepted the Plan if, in good faith, two-thirds (2/3) in amount and more than one half (1/2) in number of the voting members of the Class vote to accept the Plan. The Plan shall be confirmed if each impaired Class votes to accept the Plan.
- C. In the event an impaired Class of Creditors does not vote to accept the Plan, the Court may nevertheless confirm the Plan if it finds the Plan meets the requirements of Section 1129 of the Bankruptcy Code, specifically, that the Plan does not unfairly discriminate among Classes, that each holder of a non-accepting Class shall receive at least what it would have received in a Chapter 7 liquidation, and that no holder of a junior Claim or interest shall receive any distribution or retain any interest unless all senior Classes or interests are paid in full.
- D. Even if a junior Class or interest will receive a distribution or retain an interest despite non-payment in full of senior Claims or interests, and non-acceptance of the same, the Court may, under certain circumstances, confirm the Plan through the invocation of certain judicially created exceptions to the “absolute priority” rule set forth above.

I. Background

A. *Name of Debtor:*

Joseph Satira

B. *Type of Debtor:*

Individual

C. *Debtor's Business :*

Barber Shop and Rental Properties

History:

The Debtor is the owner of two commercial properties in Munhall, PA. The Debtor rents space in these properties to tenants and also uses part of the space for his own barber shop business at which he works.

D. *Date of Chapter 11 Petition:*

November 18, 2015

E. *Events that caused the Filing:*

The Debtor fell behind on payments due to fluctuations in income from the Debtor's Barber Shop business and sporadic payments from tenants. The Debtor's income has now stabilized and presents this Plan of reorganization.

F. Present Status and Anticipated Future Income For Funding The Plan:

The Debtor's income has stabilized and can now fund a Plan with income from the rental properties and the barber shop. No additional funding sources are necessary. For a detailed explanation of Plan feasibility, please see Part VI of the disclosure statement and the attached Exhibit "A".

G. Summarize All Significant Features Of The Plan Including When And How Each Class Of Creditor Will Be Paid And What, If Any, Liens Will Be Retained By Secured Creditors Or Granted To Any Creditor Under The Plan.

All secured creditors will be paid the full value of their claims with interest, administrative claims will be paid in full, and unsecured creditors will receive 100% of their unsecured claims.

SUMMARY OF PLAN

Class 1 are the allowed Administrative Claims which will be paid in full. This Class is not impaired by the Plan.

Class 2 is the allowed secured claim of Wilmington Savings Fund Society, FSB, c/o Fay Servicing, LLC in the amount of \$115,556.83 which is secured by a first mortgage lien against 4610 Oakwood Avenue, Munhall PA 15120. This Debtor will continue to make regular contractual payments on the loan and the pre-filing arrears will be paid over a 60 months period. This Class is not impaired by the Plan.

Class 3 is the allowed secured claim of Caliber Home Loans in the amount of \$27,905.23 which is secured by a second mortgage lien against 4610 Oakwood Avenue, Munhall PA 15120. This Debtor will continue to make regular contractual payments on the loan and the pre-filing arrears will be paid in a lump sum within 60 days of the effective date of the Plan. This Class is not impaired by the Plan.

Class 4 is the allowed secured claim of PNC Bank in the amount of \$131,313.26 which is secured by a secured mortgage lien against 3910 Main Street, Munhall, PA 15120 This debt will be amortized over a 120 month period at 5% interest. This Class is impaired by the Plan.

Class 5 is the allowed secured claim of PNC Bank in the amount of \$24,335.82 which is secured by a secured mortgage lien against 3910 Main Street, Munhall, PA 15120. This debt will be amortized over a 120 month period at 5% interest. This Class is impaired by the Plan.

Class 6 is the allowed secured claim of First Commonwealth Bank in the amount of \$43,190.08 which is secured by a secured mortgage lien against 3912 Main Street, Munhall, PA 15120. This debt will be amortized over a 120 month period at 4.6% interest. This Class is impaired by the Plan.

Class 7 is the allowed secured claim of Wells Fargo Bank, N.A. in the amount of \$708.62 which is secured by a 2003 Ford Expedition. The Debtor paid this debt in full during the reorganization period. This Class is not impaired by the Plan.

Class 8 is are the allowed real estate tax claims. Class 8 creditors will be paid over a 60 month period at interest. This Class is not impaired by the Plan.

Class 9 is the priority unsecured claim of Munhall Borough/Steel Valley School District. This debt will be paid in a lump sum within 60 days of the effective date of the Plan. This Class is not impaired by the Plan.

Class 10 are the general unsecured creditors of the Debtor in the amount of \$5,126.00. This class will be paid 100% of their claims over a 60 month period. This Class is impaired by the Plan.

H. Are all Monthly Operating Statements Current and on File with the Clerk of Court?

Yes **X** No

If Not, Explain: N/A

II. Summary of Assets

A. Assets – The value of the Estate as presented in the Plan is congruent with that contained in the Debtors’. ASSETS	ESTIMATED VALUE	NAME OF LIEN HOLDER OR EXEMPT
<p>Real Property</p> <p>4610 Oakwood Avenue, Munhall, PA 15120</p> <p>3910 Main Street, Munhall, PA 15120</p> <p>3912 Main Street, Munhall, PA 15120</p>	<p>\$120,000.00</p> <p>\$190,000.00</p> <p>\$75,000.00</p>	<p>1)Fay Servicing - \$115,556.83</p> <p>2)Caliber Home Loans - \$27,905.23</p> <p>1) PNC Bank - \$131,313.26</p> <p>2) PNC Bank - \$24,335.82</p> <p>First Commonwealth Bank - \$43,190.08</p>
<p>Personal Property</p> <p>Bank accounts</p> <p>Cash on hand</p> <p>Household Goods</p> <p>Clothing</p> <p>Jewelry</p> <p>IRA with Citizens Bank</p> <p>Barber License</p>	<p>\$200.00</p> <p>\$50.00</p> <p>\$4,000.00</p> <p>\$250.00</p> <p>\$250.00</p> <p>\$200.00</p> <p>\$0.00</p>	<p>Exempt</p> <p>Exempt</p> <p>Exempt</p> <p>Exempt</p> <p>Exempt</p> <p>Exempt</p>

Accounts Receivable	\$2,150.00	Not Exempt
Business equipment and inventory	\$1,000.00	Not Exempt
2002 Cadillac DeVille	\$3,000.00	Exempt
2003 Ford Expedition	\$4,000.00	Not Exempt
Total Personal Property	\$15,100.00	
Total Real Property	\$385,000.00	
Total of All Liens	\$342,301.22	
Total Value of all Assets	\$400,100.00	
Total Amount of Exemptions Taken	\$20,425.00	
Total Value of All Non-Exempt, Non-Liened Assets	\$37,373.78	

1. Are any assets which appear on Schedule A or B of the Debtor's bankruptcy schedules not listed above?

No.

2. Are any assets listed above claimed as exempt?

Yes.

III. Summary of Liabilities

A. Liabilities – Following are lists of the Debtor's outstanding obligations. The asserted amounts and classifications of these Claims are based on the Debtor's schedules and internal records and have been adjusted to reflect any and all proofs of claims that have been timely filed by creditors. Nothing herein shall limit the Debtor's ability to object to proofs of claims. All amounts set forth in the Debtor's Plan and Disclosure Statement reflect the amounts due in either the Debtor's Schedules, as adjusted by timely filed proofs of claims, or as agreed to by the parties.

Administrative Claims – Class 1 Claims

Name of Creditor		Amount Owed (Professional Fees & Costs Subject To Court Approval)	Type of Claim
Final U.S. Trustee quarterly fee		\$650.00*	Court fees
Clerk Notice Fees		\$250.00*	Court fees
Christopher M. Frye, Esq.		\$18,000.00*	Approximate Professional fees (legal) and expenses pending Court approval
TOTAL		\$18,900.00*	

Note: * - estimated amounts

Secured Creditors – Class 2-8 Claims

Name of Creditor	Classes	Asserted Amount Owed As of Filing Date	Type of Collateral/Priority of Lien	Disputed (D) Liquidated (L) or Unliquidated (U)	Will Liens Be Retained Under the Plan?
Wilmington Savings Fund Society, FSB, c/o Fay Servicing, LLC	2	\$115,556.83	First Mortgage encumbering real property located at 4610 Oakwood Avenue, Munhall PA 15120	L	Yes
Caliber Home Loans	3	\$27,905.23	Second Mortgage encumbering real property located at 4610 Oakwood Avenue, Munhall PA 15120	L	Yes
PNC Bank	4	\$131,313.26	Mortgage encumbering real property located at 3910 Main Street, Munhall, PA 15120	L	Yes

PNC Bank	5	\$24,335.82	Mortgage encumbering real	L	Yes
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			property located at 3910 Main Street, Munhall, PA 15120		
First Commonwealth Bank	6	\$43,190.08	Mortgage encumbering real property located at 3912 Main Street, Munhall, PA 15120	L	Yes
Wells Fargo Bank, N.A.	7	\$708.62	2003 Ford Expedition	L	Yes
County of Allegheny	8	\$3,101.36	Real Estate Taxes	L	Yes
Munhall Borough	8	\$2,894.26	Real Estate Taxes	L	Yes
Steel Valley School District	8	\$5,851.96	Real Estate Taxes	L	Yes
TOTAL		\$354,857.42			

Priority Unsecured Creditors – Class 9 Claims

Name of Creditor	Class	Asserted Amount Owed	Priority Statute
Borough of Munhall/Steel Valley School District	9	\$220.00	11 USC §507 (a)(8)
TOTAL		\$220.00	

General Unsecured Creditors – Class 10 Claims

Name of Creditor	Class	Asserted Amount Owed	Type of Claim
Citizens Bank	10	\$5,126.00	Unsecured Loan
TOTAL		\$5,126.00	

General Unsecured Creditors:

- | | |
|--|------------|
| 1. Amount Debtor Scheduled (Disputed and Undisputed) | \$5,126.00 |
| 2. Amount of Unscheduled Claims | \$0.00 |
| 3. Total Claims Scheduled or Filed | \$5,126.00 |
| 4. Amount Debtor Disputes | \$0.00 |

5. Estimated Allowable Class 6 Claims \$5,126.00

IV. Summary of Plan

A. When is the Effective Date of the Plan?

Thirty (30) days after the date of Confirmation.

B. Proposed Treatment of Creditors:

Following are lists of the Creditors including the anticipated schedule of cash distribution(s) thereto:

Administrative Claims – Class 1 Creditors

Name of Creditor	Type	Amount Owed	Proposed Treatment
Final U.S. quarterly fee	Court fee	\$650.00*	To be paid in full at time of initial distribution (not impaired)
Clerk notice fees	Court fee	\$250.00*	To be paid in full at time of initial distribution (not impaired)
Christopher M. Frye, Esq.	Professional Fees and Expenses	\$18,000*	Payable in full immediately upon court approval or as agreed to by Claimant (not impaired)

NOTE: * - estimated amounts

Secured Claims – Class 2-8

Name of Creditor	Class	Asserted Amount Owed	Proposed Treatment
Wilmington Savings Fund Society, FSB, c/o Fay Servicing, LLC	2	\$115,556.83	The total amount due and owing to the Class 2 creditor at the date of filing was \$115,556.83 pursuant to the amount listed on the Debtor's schedules. The amount of pre-filing arrears on the loan was \$6,517.35 pursuant to the amount listed on the Debtor's schedules. The Debtor has made regular contractual mortgage payments each and every month of the

			<p>reorganization proceeding which will be attributed to principal and interest per the original contract. Beginning on the last day of the month following the effective date of the Plan, the Debtor will make monthly payments to the Class 2 creditor in the amount of \$1,370.14. From the \$1,370.14 monthly payment to be made by the Debtor, \$1,261.51 will be attributed to the contractual regular monthly payment and the additional \$108.63 will be attributed to the pre-filing arrearage of \$6,517.35. No interest or penalty will accumulate on the pre-filing arrears. The Debtor will make sixty (60) monthly payments of \$1,370.14 beginning on the last day of the month following the effective date of the Plan. Upon completion of sixty (60) monthly payments of \$1,370.14 beginning on the last day of the month following the effective date of the Plan, the Debtor will then make monthly ongoing payments to the Class 2 creditor of the contractual amount of \$1,261.51 and the loan will be considered current and all pre-filing arrears will be considered paid in full. The Class 2 creditor and the Debtor shall each pay their own legal fees incurred in connection with the Debtor's Chapter 11 bankruptcy case. Class 2 is not impaired by the Plan.</p>
Caliber Home Loans	3	\$27,905.23	<p>The total amount due and owing to the Class 3 creditor at the date of filing was \$27,905.23 pursuant to the amount listed on the Debtor's schedules. The amount of pre-filing arrears on the loan was \$549.86 pursuant to the amount listed on the Debtor's schedules. The Debtor has made regular contractual mortgage payments each and every month of the reorganization proceeding which will be attributed to principal and interest per the original contract. The Debtors will continue to make regular contractual payments to the Class 3 creditor until the mortgage loan is paid in full pursuant to the original contractual terms of the mortgage loan. No interest or penalty will accrue on the pre-filing arrears. The pre-filing arrears in the amount of \$549.86 will be</p>

			paid in a lump sum by the Debtor within 60 days after effective date of the Plan. Payment of the lump sum of \$549.86 will bring the loan totally current. The Class 3 creditor and the Debtor shall each pay their own legal fees incurred in connection with the Debtor's Chapter 11 bankruptcy case. Class 3 is not impaired by the Plan.
PNC Bank	4	\$131,313.26	The total amount due and owing to the Class 4 creditor at the date of filing was \$131,313.26 pursuant to the amount listed on the Debtor's schedules. The Class 4 claim in the amount of \$131,313.26 shall be amortized over a period of 120 months with an interest rate of 5%. The Debtor will make 120 monthly payments of \$1,393.00 to the Class 4 creditor which shall include principal and interest. The first monthly payment of \$1,393.00 shall be due on or before the last day of the month following the effective date of the Plan. Subsequent payments shall be due on or before the last day of the month every month thereafter until all 120 monthly payments have been made. Upon completion of the monthly payments to the Class 4 creditor as called for in this Plan, the Class 4 creditor shall satisfy the mortgage lien against 3910 Main Street, Munhall, PA 15120, and any other real estate owned by the Debtor upon which it has a lien, and shall file said satisfaction with the recorder of deeds or appropriate county office within 30 days of tender of final payment. Any pre-payment penalty shall be stricken as a term of the loan. The Class 4 creditor and the Debtor shall each pay their own legal fees incurred in connection with the Debtor's Chapter 11 bankruptcy case. Class 4 is impaired by the Plan.
PNC Bank	5	\$24,335.82	The total amount due and owing to the Class 5 creditor at the date of filing was \$24,335.82 pursuant to the amount listed on the Debtor's schedules. The Class 5 claim in the amount of \$24,335.82 shall be amortized over a period of 120 months with an interest rate of 5%. The Debtor will make 120 monthly payments of \$258.00 to the Class 5 creditor which shall include principal and interest. The first monthly

			<p>payment of \$258.00 shall be due on or before the last day of the month following the effective date of the Plan. Subsequent payments shall be due on or before the last day of the month every month thereafter until all 120 monthly payments have been made. Upon completion of the monthly payments to the Class 5 creditor as called for in this Plan, the Class 5 creditor shall satisfy the mortgage lien against 3910 Main Street, Munhall, PA 15120, and any other real estate owned by the Debtor upon which it has a lien, and shall file said satisfaction with the recorder of deeds or appropriate county office within 30 days of tender of final payment. Any pre-payment penalty shall be stricken as a term of the loan. The Class 5 creditor and the Debtor shall each pay their own legal fees incurred in connection with the Debtor's Chapter 11 bankruptcy case. Class 5 is impaired by the Plan.</p>
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First Commonwealth Bank	6	\$43,190.08	The Debtor shall continue to make monthly adequate protection payments to the Class 6 Creditor until the effective date of the Plan. Within ten (10) days after the Effective Date, the Class 6 Creditor shall provide the Debtor with an itemized balance due as of the Effective Date, which shall include all principal, interest, legal fees and expenses, and/or other charges due and owing as of the Effective Date, except for satisfaction fees and any prepayment penalty. The sums owed the Class Creditor as of the Effective Date shall be capitalized into a new balance, all of which shall be deemed principal. Said amount shall be paid in monthly installments based on an amortization period of ten years from the Effective Date, with interest at the fixed rate of 4.6% per annum. For illustrative purposes only, assuming a balance due of \$44,759.97 as of the Effective Date, the amount of the monthly payment would be equal to approximately \$466.04. The first such payment shall be due fifteen (15) days from the Effective Date. All future monthly payments shall be due on the same date of each following month, unless the due date falls on a weekend or Federal holiday, in which case the payment shall be due on the next business day. The balance due the Class 6 Creditor shall mature and be fully due and payable ten (10) years from the Effective Date. Class 6 is impaired by the Plan.
Wells Fargo Bank, N.A.	7	\$708.62	The total amount due and owing to the Class 7 creditor at the date of filing was \$708.62 pursuant to the proof of claim filed by the Class 7 creditor. The amount due and owing to the Class 7 creditor is secured against 2003 Ford Expedition. Since the filing of the bankruptcy proceeding, the Class 7 debt has been paid in full by the Debtor. If not done already, the Class 7 creditor will immediately release their lien and send the title to the 2003 Ford Expedition to the Debtor. Class 7 is not impaired by the Plan.
County of Allegheny	8	\$3,101.36	The real estate tax debt due and owing to the County of Allegheny in the amount of \$3,101.36 shall be paid over a 60 month period at 12% interest with a monthly payment of \$69.00. Class 8 is not impaired by the Plan.

Munhall Borough	8	\$2,894.26	The real estate tax debt due and owing to the Borough of Munhall in the amount of \$2,894.26 shall be paid over a 60 month period at 10% interest with a monthly payment of \$63.00. Class 8 is not impaired by the Plan.
Steel Valley School District	8	\$5,851.96	The real estate tax debt due and owing to the Borough of Munhall in the amount of \$5,851.96 shall be paid over a 60 month period at 10% interest with a monthly payment of \$124.00. Class 8 is not impaired by the Plan.

Unsecured Priority Claims – Class 9

Name of Creditor	Class	Asserted Amount Owed	Proposed Treatment
Borough of Munhall/Steel Valley School District	9	\$220.00	The Debtor will make a lump sum payment of \$220.00 to the Class 9 creditor within 60 days after the effective date of the Plan. Upon payment of \$220.00 to the Class 9 creditor, the Class 9 debt will be considered paid in full. Class 9 is not impaired by the Plan.

General Unsecured Creditors – Class 10 Creditors

Treatment of General Unsecured Creditors

The total amount of anticipated general unsecured debt is \$5,126.00. Class 10 creditors will receive a total distribution of \$5,126.00 pursuant to this Chapter 11 Plan. Sixty (60) payments in the amount of \$85.44 will be distributed pro-rata to Class 10 creditors on a monthly basis beginning on or before the last day of the month of the third month after the effective date of the Plan. The total payment to unsecured creditors shall be \$5,126.00 and will pay 100% of all Class 10 unsecured claims. Class 10 is impaired by the Plan.

General Unsecured Creditors – Class 10 Claims

Name of Creditor	Class	Asserted Amount Owed	Approximate Percentage to be Paid
Citizens Bank	10	\$5,126.00	100%
TOTAL		\$5,126.00	

C. Will periodic payments be made to unsecured creditors?

Yes X No

D. State source of funds for planned payments, including funds necessary for capital replacement, repairs, or improvements:

The Debtors' Chapter 11 Plan will be funded through a combination of ongoing income from the Debtor's barber shop business and the Debtor's rental real estate business. No outside funding sources are necessary to fund the Chapter 11 Plan.

E. Other significant features of the Plan:

None

F. Include any other information necessary to explain this Plan:

None

V. Comparison of Plan with Chapter 7 Liquidation

If Debtor's proposed Plan is not confirmed the potential alternatives would include dismissal of the case or conversion of the case to Chapter 7. If this case is converted to Chapter 7, a Trustee will be appointed to liquidate the Debtor's assets. In this event, all secured claims (to the value of the collateral) all priority claims and all expenses of administration (both Chapter 7 and Chapter 11) must be paid in full before any distribution is made to unsecured creditors.

Total value of Chapter 7 estate

<u>ASSET</u>	<u>ACTUAL VALUE</u>	<u>LIQUIDATION VALUE</u>
Real Property	\$385,000.00	\$346,500.00*
Personal Property	\$15,100.00	<u>\$13,590.00</u>
Balance		\$360,450.00
LESS Liens on Real Property		(\$348,246.33)
LESS Exemptions taken		<u>(\$20,425.00)</u>
Balance		\$0.00
LESS Chapter 7 Administrative Fees (Assume 7%)		(\$0.00)
LESS Est. Chapter 11 Administrative Fees		<u>(\$18,900.00)</u>
Balance		\$0.00
Total available for unsecured creditors.		\$0.00

*Assume 90% recovery of the actual value due to costs of liquidation.

A. *Will the Creditors fare better under the Plan than they would in Chapter 7 liquidation?*

Yes X No

Explain:

In a liquidation scenario, secured creditors would not be paid the full value of their claims at interest. Further, in a liquidation, general unsecured creditors would receive nothing. In the Plan, all secured creditors will be paid the full value of their claims at interest and unsecured creditors will be paid 100% of their claims.

VI. Feasibility

Attached and Labeled Exhibit "A" please find a "Historic Summary" of income and expenses for the Debtor while in bankruptcy, a "Projected Summary" of monthly income and expenses, and a "Plan Feasibility" summary.

The "Historic Summary" of income and expenses relies on the following assumptions:

a) The "Total Cash Flow From Operations" figures were taken directly from the monthly operating reports filed by the Debtor while in the reorganization.

b) The "Less Total Disbursements Excluding Payments to Creditors in a Plan" figures were derived by taking the expenses listed on the monthly operating reports and subtracting payments made during the reorganization to Fay Servicing, Caliber Home Loans, PNC Bank, and First Commonwealth Bank which total \$2,700.08 per month. Please note that "Month One" was a partial month consisting of only 12 days and no payments were made to creditors during that month.

The "Projected Summary" relies on the following assumptions:

a) The "Total Cash Flow from Operations" figure is an average of the income of Month Two through Month Six of the "History Summary" which is based on the monthly operating reports filed by the Debtor. "Month One" was a partial month consisting of only 12 days and was excluded from that calculation for that reason.

b) The "Less Total Projected Disbursements Excluding Payments to Creditors in a Plan" figure is an average of the expenses of Month Two through Month Six of the "History Summary" which is based on the monthly operating reports filed by the Debtor.

“Month One” was a partial month consisting of only 12 days and was excluded from that calculation for that reason.

The “Plan Feasibility” summary was calculated as follows:

The Plan provides for the Debtor to make ongoing monthly payments pursuant to the Plan as follows:

Class of Creditor	Monthly Payment
Class 2	\$1,370.14
Class 3	\$274.93
Class 4	\$1,393.0
Class 5	\$258.00
Class 6	\$466.00
Class 8	\$256.00
Class 10	\$85.44
TOTAL	\$4,103.51 per month

As set forth in the “Projected Summary” attached hereto, the Debtors will have projected gross income of \$6,794.00 per month and projected expenses in the amount of \$2,490.00 per month (Again note that the projected expenses do not include payments made by the Debtor for creditors included in the Plan while in the reorganization) The projected income over expenses based on the above is \$4,304.00 per month. Consequently, the “Anticipated Receipts Available for Plan” on the “Plan Feasibility” summary is \$4,304.00. As the Plan calls for payments of \$4,103.00 per month it is clear that the proposed Plan is feasible. The projected overage of monthly income in the amount of \$201.00 per month will be used by the Debtor for unforeseen expenses that occur during the Plan term.

Therefore, since creditors will receive more under a plan than they would in a liquidation, it appears that the proposed Plan of Reorganization is certainly in the best interest of all of the creditors of the estate. Further, the Plan of reorganization calls for realistic income that is necessary to meet the payments required in the Debtor’s Plan of reorganization and is based on income and expenses of the Debtor while in the reorganization and does not rely on any additional income or funding sources.

Periodic financial statements (Monthly Financial Reports) have been filed with the Bankruptcy Court during the course of this Chapter 11 reorganization proceeding. These are available for inspection at the Clerk’s Office of the United States Bankruptcy Court for the Western District of Pennsylvania at 5414 U. S. Steel Tower, 600 Grant Street, Pittsburgh, PA 15219 during normal business hours. These statements, along with the Debtor’s Schedules and Statement of Affairs, may be inspected by all interested parties.

The estimated amount to be paid on effective date of Plan, including administrative expenses, is \$18,900.00 which is calculated as follows:

\$18,000.00	Class 1 – Professional fees and expenses
\$ 650.00	Class 1 - Final U.S. Trustee fee
<u>\$ 250.00</u>	<u>Class 1 - Clerk notice fee</u>

\$18,900.00 TOTAL

Payments with respect to the Class 1 Final U.S. Trustee fee and Class 1 Clerk notice Fee will be paid from funds in the Debtor’s bank account accumulated during the reorganization proceeding. Counsel for the Debtor will work out an arrangement for professional fees and expenses to be paid if funds are unavailable on the effective date. Payments made for professional fees to Debtor’s counsel will not interfere with payments to other classes of creditors under the Plan.

What assumptions are made to justify the increase in cash available for the funding of the Plan?

There is no increase in cash necessary to fund this proposed Plan.

Will funds be available in the full amount for administrative expenses on the effective date of the Plan? From what source?

Yes. The Debtors should have an amount available in its bank account to meet the requirements of the Plan. If not, Debtor’s counsel will work out a payment arrangement for professional fees and expenses with the Debtor.

VII. Reorganized Debtor: Management, Ownership and Management Salaries

N/A

VIII. Executory Contracts and Leases

N/A

IV. Identify the Effect on Plan Payments and Specify Each of the Following:

1. What, if any, litigation or litigation claims are pending?

None.

2. What, if any, litigation or litigation claims are proposed or contemplated?

None

X. Additional Information and Comments

All capitalized terms in this Disclosure Statement shall have the same meanings as ascribed in the Plan of Reorganization.

XI. Certification

The undersigned hereby certify that the information herein is true and correct to the best of our knowledge and belief formed after reasonable inquiry.

Respectfully submitted,

June 6, 2016

/s/ Christopher M. Frye, Esquire
Christopher M. Frye, Esquire
PA I.D. No. 208402
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Counsel for Debtor