

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

**In Re:**

**Bankruptcy No. 15-24405-CMB**

**PATSCO, L.P.,  
Debtor.**

**SMALL BUSINESS DISCLOSURE STATEMENT  
TO ACCOMPANY SMALL BUSINESS CHAPTER 11 PLAN DATED  
JUNE 6, 2016**

**Chapter 11 Small Business (Check box only if debtor has elected to be considered a small business under 11 U.S.C. §1121(e))**

**Debtor furnishes this disclosure statement to creditors in the above-captioned matter pursuant to Bankruptcy Code §1125 to assist them in evaluating debtor's proposed Chapter 11 plan, a copy of which is attached hereto. Creditors may vote for or against the plan of reorganization. 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 time. The Court will schedule a hearing on the plan pursuant to 11 U.S.C. §1129.**

**Address for return of ballots:**

**Francis E. Corbett, Esquire  
1420 Grant Building  
310 Grant Street  
Pittsburgh, PA 15219-2230**

**I. Background**

**1. Name of Debtor**

PATSCO, L.P.

**2. Type of Debtor (individual, partnership, corporation)**

Limited Partnership

**3. Debtor's Business or Employment**

Real estate ownership, with storage units

**4. Date of Chapter 11 Petition**

December 2, 2015

**5. Events that Caused the Filing:**

Pending foreclosure against property

**6. Anticipated Future of the Company & Source of this Information and Opinion**

Sale of real property to pay debts in full.

**7. 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 claims will be paid in full by a sale of the Debtor's real property.

**8. Are All Monthly Operating Statements Current and on File with the Clerk of Court?**

Yes   X   No \_\_\_\_\_

**If Not, Explain:**

**9. Does the plan provided for releases of non-debtor parties? Specify which parties and terms of release.**

No.

**10. Identify all executory contracts that are to be assumed or assumed and assigned.**

None

**11. Has a bar date been set? x yes no  
(If not, a motion to set the bar date has been filed simultaneously with the filing of this disclosure statement.)**

**12. Has an election under 11 U.S.C. §1121(e) has been filed with the Court to be treated as a small business?**

Yes   x   No \_\_\_\_\_

**13. Specify property that will be transferred subject to 11 U.S.C. §1146(c).**

Property located at Streets Run Road, Borough of West Mifflin and property located at West Run Road, Borough of Homestead.

**II. Creditors**

**A. Secured Claims**

**SECURED CLAIMS**

<b>Creditor</b>	<b>Total Amount Owed</b>	<b>Arrearages</b>	<b>Type of Collateral Priority of Lien (1, 2, 3)</b>	<b>Disputed(D) Liquidated(L) Unliquidated (U)</b>	<b>Will Liens be Retained Under the Plan (Y)or(N)</b>
NexTier Bank	\$175,499.74	Due in full	Streets Run Road, West Mifflin Borough	L	Y
Allegheny County	\$27,966.90	Due in full	Streets Run Road, West Mifflin Borough	L	Y
Borough and School District of West Mifflin	\$129,654.25	Due in full	Streets Run Road, West Mifflin Borough	L	Y
Allegheny County	\$13,690.34	Due in full	2003 West Run Road, Homestead	L	Y
<b>TOTAL</b>	<b>\$346,811.23</b>				

**B. Priority Claims**

**PRIORITY CLAIMS**

<b>Creditor</b>	<b>Total Amount Owed</b>	<b>Type of Collateral</b>	<b>(D)(L)(U) *</b>
none			

\* Disputed (D), Liquidated (L), or Unliquidated (U)

**C. Unsecured Claims**

**1. Amount Debtor Scheduled (Disputed and Undisputed) \$ 0.00**

- 2. Amount of Unscheduled Unsecured Claims \$ 0.00
- 3. Total Claims Scheduled or Filed \$ 0.00
- 4. Amount Debtor Disputes \$ 0.00
- 5. Estimated Allowable Unsecured Claims \$ 0.00

**D. Other Classes of Creditors**

- 1. Amount Debtor Scheduled (Disputed and Undisputed) \$0.00
- 2. Amount of Unscheduled Claims<sup>1</sup> \$0.00
- 3. Total Claims Scheduled or Filed \$0.00
- 4. Amount Debtor Disputes \$0.00
- 5. Estimated Allowable Claims \$0.00

**E. Other Classes of Interest Holders**

- 1. Amount Debtor Scheduled (Disputed and Undisputed) \$0.00
- 2. Amount of Unscheduled Claims<sup>1</sup> \$0.00
- 3. Total Claims Scheduled or Filed \$0.00
- 4. Amount Debtor Disputes \$0.00
- 5. Estimated Allowable Claims \$0.00

**III. Assets**

**ASSETS**

Assets	Value	Basis for Value Priority of Lien	Name of Lien Holder (if any) (Fair Market Value/Book Value)	Amount of Debtor's Equity (Value Minus Liens)
Streets Run Road, West Mifflin	\$450,000.00	Debtor	Tax	\$116,879.11
West Run Road, Homestead	\$140,000.00	Debtor	Tax	\$126,309.66
	\$590,000.00 TOTAL			\$243,188.77 TOTAL

1. Are any assets which appear on Schedule A or B of the bankruptcy petition not listed above?

No

If so, identify asset and explain why asset is not in estate:

2. Are any assets listed above claimed as exempt? If so attach a copy of Schedule C and any amendments. None.

**IV. SUMMARY OF PLAN**

1. **Effective Date of Plan:**

90 days following confirmation.

2. Will cramdown be sought?  Yes  No  
If Yes, state bar date: \_\_\_\_\_

3. **Treatment of Secured Non-Tax Claims**

**SECURED NON-TAX CLAIMS**

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
NexTier Bank	2	\$175,499.74	Payment in full on sale of property
TOTAL		\$175,499.74	

4. **Treatment of Secured Tax Claims**

**SECURED TAX CLAIMS**

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
Allegheny County	3	\$41,657.24	Payment in full from sale(s).
West Mifflin Borough and School District	3	\$129,654.25	Payment in full from sale.
TOTAL		\$171,311.79	

**5. Treatment of Administrative Non-Tax Claims**

**ADMINISTRATIVE NON-TAX CLAIMS**

<b>Name of Creditor *</b>	<b>Amount Owed</b>	<b>Type of Debt **</b>	<b>Summary of Proposed Treatment and Date of First Payment</b>
Francis E. Corbett	\$5,000.00	Attorney for Debtor Fees	To be paid in full on the Plan Effective Date or as parties agree.
United States Trustee	\$650.00	Trustee Fees	To be paid in full on the Plan Effective Date.
TOTAL	\$5,650.00		

\* Identify and Use Separate Line for Each Professional and Estimated Amount of Payment

\*\* Type of Debt (P=Professional, TD=Trade, TX=Taxes)

**6. Treatment of Administrative Tax Claims**

**ADMINISTRATIVE TAX CLAIMS**

<b>Name of Creditor *</b>	<b>Amount Owed</b>	<b>Type of Debt **</b>	<b>Summary of Proposed Treatment and Date of First Payment</b>
None			

**7. Treatment of Priority Non-Tax: None**

**PRIORITY NON-TAX CLAIMS**

<b>Name of Creditor</b>	<b>Class</b>	<b>Amount Owed</b>	<b>Summary of Proposed Treatment</b>
None			

**8. Treatment of Priority Tax Claims:**

**PRIORITY TAX CLAIMS**

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
None				

**9. Treatment of General Unsecured Non-Tax Claims:**

**GENERAL UNSECURED NON-TAX CLAIMS**

Creditor	Class	Total Amount Owed	Percent of Dividend
None		\$	

**10. Treatment of General Unsecured Tax Claims:**

**GENERAL UNSECURED TAX CLAIMS**

Creditor	Class	Total Amount Owed	Percent of Dividend
None			

**11. Will periodic payments be made to unsecured creditors?**

Yes \_\_\_ No **X** First payment to begin **N/A**

**If so:**

Amount of each payment (aggregate to all unsecured claimants) **\$0.00**  
 Estimated date of first payment: **N/A**  
 Time period between payments: **N/A**  
 Estimated date of last payment: **N/A**  
 Contingencies, if any: **None**

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

Sale proceeds.

**Other significant features of the plan:**

**The Debtor will seek approval of listing agreements to facilitate the sales contemplated by the plan.**

**Include any other information necessary to explain this plan:**

**The partners will be entitled to the distribution of all excess proceeds from the sales, only after payment of all allowed claims in full.**

**V. Comparison of Plan with Chapter 7 Liquidation**

**If debtor's proposed plan is not confirmed, the potential alternatives would include proposal of a different plan, 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 non-exempt assets. In this event, all secured claims and priority claims, including all expenses of administration, must be paid in full before any distribution is made to unsecured claimants.**

<b>Total value of Chapter 7 estate See Section III)</b>	<b>\$590,000.00</b>
<b>1. Less secured claims (See IV-2)</b>	<b>\$346,811.23</b>
<b>2. Less administrative expenses</b>	<b>\$5,650.00</b>
<b>3. Less other priority claims (See IV-4)</b>	<b>\$0.00</b>
<b>Total Amount Available for Distribution to Unsecured Creditors</b>	<b>\$0</b>
<b>Divided by total allowable unsecured claims of (See Section II C)</b>	<b>\$0</b>
<b>Percentage of Dividend to Unsecured Creditors:</b>	<b>N/A</b>

**Will the creditors fare better under the plan than they would in a Chapter 7 liquidation?**

**Yes   X   No \_\_\_\_\_**

**Explain: N/A, there are no unsecured creditors.**



**VI. Feasibility**

The proposed plan does not rely on payments except for adequate protection of the mortgage holder until a sale of the encumbered property is completed. The Debtor has been managing the storage units since the filing of this case in an effort to make both properties saleable, with the objective of paying all creditors in full from those sales. The only creditors are the mortgagee and the real estate tax collectors for each property, there are no unsecured creditors. As a result, the following statements are not attached.

- A. Income Statement for Prior 12 Months.
- B. Cash Flow Statement for Prior 12 Months.
- C. Cash Flow Projections for Next 12 Months.

Estimated amount to be paid on effective date of plan, including administrative expenses.

**\$5,650.00**

Show how this amount was calculated.

<b>\$5,000.00</b>	<b>Administrative Class</b>
<b>\$0</b>	<b>Taxes</b>
<b>\$0</b>	<b>Unsecured Creditors</b>
<b>\$650.00</b>	<b>UST Fees</b>
<b>\$5,650.00</b>	<b>TOTAL</b>

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

The funds held in escrow by Debtor’s counsel from the initial retainer, \$2,283.00.

Will funds be available in the full amount for administrative expenses on the effective date of the plan? From what source? If not available, why not and when will payments be made?

Yes.

Cash on hand *\$3,600.21* Attach current bank statement

Cash on hand *\$6,000.00\** (Estimated amount available on date of confirmation)

\*Includes \$2,283.00 in counsel’s escrow account from initial retainer.

If this amount is less than the amount necessary at confirmation, how will debtor make up the shortfall? N/A

**VII. Management Salaries**

**MANAGEMENT SALARIES**

<b>Position/Name of Person Holding Position</b>	<b>Salary at Time of Filing</b>	<b>Proposed Salary (Post-Confirmation)</b>
None		

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

**1. What, if any, Litigation is Pending?**

None.

**2. What, if any, Litigation is Proposed or Contemplated?**

None

**IX. Certification**

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

**The Debtor is a limited partnership and a Consent to the Filing of Chapter 11 Plan and Disclosure Statement signed by the managing partner is attached.**

**Date: June 6, 2016**

**/s/ Francis E. Corbett**  
**Francis E. Corbett, Esquire**  
**[fcorbett@fcorbettlaw.com](mailto:fcorbett@fcorbettlaw.com)**  
**1420 Grant Building**  
**310 Grant Street**  
**Pittsburgh, PA 15219-2230**  
**(412) 456-1882**

4140 E. State Street  
Hermitage, PA 16148

PATSCO, LTD.

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Primary Account Number: 95111752

**Managing Your Accounts**

-  Website www.fnb-online
-  Telephone Banking 1 800-555-5455
-  Mailing Address 4140 E. State Street  
Hermitage, PA 16148

>021374 3939577 0002 092543 10Z

PATSCO, LTD.  
SCOTT M BRADLEY  
1141 CAMARTA DR  
PITTSBURGH PA 15227-3905



**Summary of Accounts**

Account Type	Account Number	Balance This Statement
FREE SMALL BUSINESS CHECKING	95111752	\$3,600.21

**FREE SMALL BUSINESS CHECKING - 95111752**

**Account Summary**

Date	Description	Amount		
04/01/2016	Balance Last Statement	\$2,766.00	Minimum Balance	\$1,765.21
	2 Credit(s) This Period	\$2,755.00	Average Ledger Balance	\$2,107.96
	3 Debit(s) This Period	\$1,920.79	Average Available Balance	\$2,019.17
04/29/2016	Balance This Statement	\$3,600.21		

**Account Activity**

Post Date	Description	Debits	Credits	Balance
04/01/2016	Balance Last Statement			\$2,766.00
04/01/2016	IPFS866-412-2561 IPFSPMTMOK 603683	\$600.79		\$2,165.21
04/05/2016	DEPOSIT		\$600.00	\$2,765.21
04/06/2016	CHECK # 106	\$1,000.00		\$1,765.21
04/26/2016	DEPOSIT		\$2,155.00	\$3,920.21
04/26/2016	DEBIT MEMO DEPOSIT ADJUSTMENT	\$320.00		\$3,600.21
04/29/2016	Balance This Statement			\$3,600.21

**Checks Cleared**

Check Nbr	Date	Amount
106	04/06/2016	\$1,000.00

\* Indicates skipped check number

**Daily Balances**

Date	Amount	Date	Amount
04/01/2016	\$2,165.21	04/06/2016	\$1,765.21
04/05/2016	\$2,765.21	04/26/2016	\$3,600.21



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**Consent to the Filing of Chapter 11 Plan and Disclosure Statement**

I, Scott Bradley, do hereby verify subject to penalties of perjury that I am the managing partner of PATSCO, L.P. In that capacity I have authorized the filing of the Chapter 11 Plan and Disclosure Statement in the Bankruptcy case filed at Case No. 15-24405-CMB.

Dated: 6/2/16

  
\_\_\_\_\_  
Scott Bradley