

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

IN RE:

Bankruptcy No. 16-10346-TPA

HMF GOLF, INC.,

Chapter 11

Debtor.

Document No: _____

Respondents.

Related to Document No. 94

**OBJECTION OF NORTHWEST SAVINGS BANK TO THE DEBTOR'S DISCLOSURE
STATEMENT TO ACCOMPANY JOINT PLAN DATED JANUARY 20, 2017**

Northwest Savings Bank (the "Bank"), by and through its counsel, Metz Lewis Brodman Must O'Keefe LLC, files this Objection to the Debtor's Disclosure Statement to Accompany Joint Plan dated January 20, 2017, as follows:

1. On April 13, 2016, HMF Golf, Inc. (the "Debtor"), filed a voluntary Petition under Chapter 11 of the United States Bankruptcy Code.
2. On January 20, 2017, the Debtor filed its Disclosure Statement to Accompany Joint Plan dated January 20, 2017 (the "Disclosure Statement").
3. The Bank is a party in interest as it is a secured creditor of the Debtor as evidenced by the following loan documents (collectively, the "Loan Documents"):
 - a. Business Loan Agreement dated May 1, 2009, by and between the Debtor and the Bank pursuant to which the Bank made a loan to the Debtor in the original principal amount of \$537,500.00;
 - b. Promissory Note dated May 1, 2009, in the original principal amount of \$537,500.00 executed and delivered by the Debtor to the Bank as amended by that certain Change in Terms Agreement dated January 10, 2012;
 - c. Open-End Mortgage and Security Agreement dated May 1, 2009, executed and delivered by the Debtor to the Bank encumbering the real property and improvements thereon located in the Village of Reno, Sugarcreek Borough (formerly Sugarcreek Township), Venango County, Pennsylvania commonly known as 314 Chestnut Street, Reno, PA 16343 consisting of an 18-hole golf course known as the Wanango Golf Club (the "Real Property") with the

aforesaid mortgage being recorded on May 1, 2009, in the Venango County, Pennsylvania Recorder of Deeds Office at Instrument Number 2009-001886 and in Record Book 536, page 77 (the "Mortgage"); and

- d. Commercial Security Agreement dated May 1, 2009, executed and delivered by the Debtor to the Bank granting the Bank a security interest in all of the Debtor's assets with the aforesaid security interest being perfected by the Bank filing a financing statement with the Pennsylvania Secretary of State at Financing Statement No. 2009050506709 and continued at Financing Statement No. 2014022402996 (the "Security Interest").

- 4. As of February 27, 2017, the total amount due and owing to the Bank under the Loan

Documents is:

Principal	\$ 425,006.31
Interest	\$ 20,501.46
Late Fees	\$ 718.72
Appraisal Fees	\$ 2,125.00
Legal Fees to 1/31/17	\$ 15,674.89
TOTAL	\$ 464,026.38

- 5. The Mortgage is a first lien on the Real Property.

6. The Security Interest is a first lien on all personal property of the Debtor including, but not limited to, dues paid to the Debtor by members which for the year of 2017 are estimated to be \$60,000.00.

7. 11 U.S.C. §1125 requires that a Disclosure Statement provide "adequate information" which is information in sufficient detail to allow a hypothetical investor to make an informed judgment about the Plan.

- 8. The Disclosure Statement is misleading with respect to the following matters:

- a. The Disclosure Statement provides the secured claim of the Bank is \$436,301.00 when as of February 27, 2017, the claim is \$464,026.38 after the inclusion of additional interest, late fees, legal fees and costs. See Section I.7.B of the Disclosure Statement.
- b. The Disclosure Statement provides the secured claim of the Bank is subject to a carve out for administrative expense in the amount of \$25,000.00. The Bank has not agreed to such a carve-out. See Section I.7B of the Disclosure Statement.

- c. The Bank is also of the belief that there are real property taxes due in the approximate amount of \$31,000.00 which are not enumerated in the Disclosure Statement. *See* Section IV.4 of the Disclosure Statement.
- d. The Bank is also of the belief that additional administrative expenses exist which are not enumerated in the Disclosure Statement including, but not limited to, unpaid trustee fees of \$4,800.00 and accounting fees to Richar & Associates in the amount of \$17,650.00, along with any taxes that may have administrative priority. *See* Section IV.5 of the Disclosure Statement.

WHEREFORE, Northwest Savings Bank requests that this Court deny approval the Disclosure Statement.

METZ LEWIS BRODMAN MUST O'KEEFE LLC

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