

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

IN RE:) **Case No. 16-20229 CMB**
McDain Golf Center of Monroeville, LP,) **Chapter 11**
Debtor.) **Document No. 60**

**DISCLOSURE STATEMENT
TO ACCOMPANY SMALL BUSINESS PLAN DATED OCTOBER 14, 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:

Donald R. Calaiaro, Esquire
Calaiaro Valencik
428 Forbes Avenue, Suite 900
Pittsburgh, PA 15219

I. Background

- 1. Name of Debtor**
McDain Golf Center of Monroeville, LP.
- 2. Type of Debtor (individual, partnership, corporation)**
Corporation
- 3. Debtor's Business or Employment**
The Debtor operates a golf driving range.
- 4. Date of Chapter 11 Petition**
January 26, 2016
- 5. Events that Caused the Filing:**
The debtor had operated next to an adjoining sports bar and restaurant. When that business failed, it hurt the sales. The Debtor's unpaid tax creditors that forced the filing of the bankruptcy by threatening execution

and the cancellation of licenses.

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

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

A. The Class 1, Administrative Claims will be paid in full on the Plan effective date or as the parties agree.

B. Class 2, Specialty Lenders has a lien on the tangible assets of the Debtor. The Debtor will pay them \$ 25,000.00 in 60 equal payments plus 3% interest of \$ 449.22 a month for the secured portion of their claim.

C. Class 3, Priority and secured taxes, will be paid in full over 60 months following confirmation with post-confirmation interest of 4%. The Debtor will pay class 3 approximately \$ 2,537.36 per month to pay this class in full over 60 months.

- a. IRS \$1577.45
- b. PA DOR \$ 224.84
- c. PA DOL \$ 735.07

D. Class 4, the General Unsecured creditors. The Class 4 Claims of General Unsecured Creditors will be paid \$ 36,000 over 60 months without interest. The Debtor will make monthly payments of approximately \$ 600.00 to the class without interest in 60 payments. Class 4 will not receive any interest on their claims.

E. Class 5, the lease with Michael & Claudia Vuick for a 1990 Kubota F2100 a 1990 B 7200. The principal of the Debtor and his wife are purchasing and renting a necessary piece of equipment to the Debtor. This is a 3 year lease with a payment of \$ 165.00 monthly on each lease.

F. Class 6, Equity interests in the Debtor. The Class 5 Equity Interests in the Debtor will be retained as modified by the Plan. The Debtor will not issue any dividends. The principal of the Debtor will limit his post –confirmation salary to \$ 12,000.00; but it may only be paid in any month if all the plan payments have been made

**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 nondebtor 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? Yes X 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). NONE

II. Creditors

A. Secured Claims

SECURED CLAIMS

Creditor	Total Amount Owed	Arrearages	Type of Collateral Priority of Lien (1, 2, 3)	Disputed(D) Liquidated(L) Unliquidated (U)	Will Liens be Retained Under the Plan (Y)or(N)
Specialty Lenders	\$438,336.00	N/A	Lien on the assets	Disputed as to value	Yes, as modified
TOTAL	\$438,336.00				

B. Priority Claims

PRIORITY CLAIMS

Creditor	Total Amount Owed	Type of Collateral	(D)(L)(U) *
Internal Revenue Service- POC # 3, 7,325.00 (secured) -78,328.66 (priority)	\$85,653.66		Disputed as to secured status
PA Department of Labor & Industry POC #1- amended	\$39,913.00		Disputed as to secured status
PA Department of Revenue POC # 2	\$12,209.00		Disputed as to secured status
TOTAL	\$137,775.66		

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

C. Unsecured Claims

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

- 2. Amount of Unscheduled Unsecured Claims¹ \$
- 3. Total Claims Scheduled or Filed \$
- 4. Amount Debtor Disputes \$
- 5. Estimated Allowable Unsecured Claims \$

D. Other Classes of Creditors

- 1. Amount Debtor Scheduled (Disputed and Undisputed) \$
- 2. Amount of Unscheduled Claims¹ \$
- 3. Total Claims Scheduled or Filed \$
- 4. Amount Debtor Disputes \$
- 5. Estimated Allowable Claims \$

E. Other Classes of Interest Holders

- 1. Amount Debtor Scheduled (Disputed and Undisputed) \$
- 2. Amount of Unscheduled Claims¹ \$
- 3. Total Claims Scheduled or Filed \$
- 4. Amount Debtor Disputes \$
- 5. Estimated Allowable Claims \$

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)
Cash on Hand – at commencement of the case	\$450.00		Specialty Lenders	\$ 0.00
Checking Account at Huntington Bank	\$25.00		Specialty Lenders	\$ 0.00
Inventory	\$1,350.00		Specialty Lenders	\$ 0.00
Office Furniture	\$100.00		Specialty Lenders	\$ 0.00
Office Equipment, Including Computer Equipment	\$400.00		Specialty Lenders	\$ 0.00
Art on Wall	\$200.00		Specialty Lenders	\$ 0.00
Outdoor Equipment, Vehicles and Machinery	\$4,800.00		Specialty Lenders/ Tax liens	\$ 0.00
TOTAL	\$7,325.00			

¹Includes a.) Unsecured claims filed by unscheduled creditors; b.) that portion of any unsecured claim filed by a scheduled creditor that exceeds the amount debtor scheduled; and c.) Any unsecured portion of any secured debt not previously scheduled.

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

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.

IV. SUMMARY OF PLAN

1. Effective Date of Plan: April 1, 2017

2. Will cramdown be sought? Yes X No _____

If Yes, state bar date: The hearing on the Confirmation of this Plan

3. Treatment of Secured Non-Tax Claims

SECURED NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
Specialty Lenders	2	\$438,336.00	The Debtor will pay specialty lenders a secured claim of \$ 25,000.00 with interest at 3% over 5 years. The remainder of the claim will be paid as an unsecured creditor in class 4. The monthly payment is projected to be \$ 449.22
TOTAL		\$438,336.00	

4. Treatment of Secured Tax Claims

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
Specialty Lenders	2	\$ 25,000.00	The Debtor will pay the secured claim of \$ 25,000.00 over 5 years with post petition interest of 3%. This treatment assumes a partially secured claim of \$ 25,000.00.
TOTAL		\$25,000.00	

5. Treatment of Administrative Non-Tax Claims²

ADMINISTRATIVE NON-TAX CLAIMS

Name of Creditor *	Amount Owed	Type of Debt **	Summary of Proposed Treatment and Date of First
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²Include all §503(b) administrative claims.

			Payment
Calaiaro Valencik (Estimated)	\$ 15,000.00	Attorney for Debtor Fees	To be paid in full on the Plan Effective Date or as parties agree.
United States Trustee	\$ 650.00	Court Costs	To be paid in full on the Plan Effective Date.
TOTAL	\$ 15, 650.00		

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

** Type of Debt (P=Professional, TD=Trade, TX=Taxe)s

6. Treatment of Administrative Tax Claims

ADMINISTRATIVE TAX CLAIMS

Name of Creditor *	Amount Owed	Type of Debt **	Summary of Proposed Treatment and Date of First Payment
NONE			

7. Treatment of Priority Non-Tax:

PRIORITY NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
NONE			
TOTAL		\$0.00	

8. Treatment of Priority Tax Claims³:

PRIORITY TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
Internal Revenue Service- POC # 3, 7,325.00 (secured) - 78.328.66 (priority)	3	\$85,653.66		The secured and priority claim will be paid over 5 years after the confirmation with post confirmation interest of 4%- the Monthly payment is projected to be \$ 1,577.45
PA Department of Labor & Industry POC #1- amended	3	\$41,197.43		The secured and priority claim will be paid over 5 years after the confirmation with post confirmation interest of 4%- the Monthly

³Include dates when any §507(a) (7) taxes were assessed.

				payment is projected to be \$ 735.07
PA Department of Revenue POC # 2	3	\$12, 984.24		The secured and priority claim will be paid over 5 years after the confirmation with post confirmation interest of 4%- the Monthly payment is projected to be \$ 224.84
TOTAL		\$179,294.05		

**9. Treatment of General Unsecured Non-Tax Claims:
GENERAL UNSECURED NON-TAX CLAIMS-CLASS 5**

Creditor	Class	Total Amount Owed	Percent of Dividend
Clipper Magazine	5	\$ 11,081.20	8 %
Integrity Payment Systems, LLC	5	\$ 1,455.00	8 %
PNC Bank N.A.- POC # 5	5	\$ 18,741.90	8 %
Ragan & Connell	5	\$ 8,000.00	8 %
Specialty Lenders	5	\$ 413,333.00	8 %
TOTAL		\$452,611.10	

10. Treatment of General Unsecured Tax Claims:

**Class 5
GENERAL UNSECURED TAX CLAIMS**

Creditor	Class	Total Amount Owed	Percent of Dividend
Internal Revenue Service – POC # 3	5	\$ 45,497.16	8 %
PA DOR- POC # 2	5	\$ 775.49	8 %
TOTAL		\$46,272.65	

11. Will periodic payments be made to unsecured creditors?
 Yes X No _____ First payment to begin June 1, 2017

If so:

Amount of each payment (aggregate to all unsecured claimants) \$ 600.00

Estimated date of first payment: June 1,

2017

Time period between payments: Monthly

Estimated date of last payment: May 1, 2022

Contingencies, if any:

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

Other significant features of the plan:

Include any other information necessary to explain this plan:

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.

Total value of Chapter 7 estate (See Section III)	\$ 7,325.00
1. Less secured claims (See IV-2)	\$ 25,000.00
2. Less administrative expenses (See IV-3 and include approximate Chapter 7 expenses)	\$ 15,650.00
3. Less other priority claims (See IV-4)	\$137,775.66
Total Amount Available for Distribution to Unsecured Creditors	\$ 0.00
Divided by total allowable unsecured claims of (See Section II C)	\$452,611.10
Percentage of Dividend to Unsecured Creditors:	% 0.00

Will the creditors fare better under the plan than they would in a Chapter 7 liquidation? Yes X No _____

Explain: In a Chapter 7 case, the unsecured creditors would receive no distribution.

VI. Feasibility

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

Estimated amount to be paid on effective date of plan, including administrative expenses.
\$ 15,650.00

Show how this amount was calculated.

\$ 15,000.00 Administrative Class
 \$ Taxes
 \$ Unsecured Creditors
 \$ 650.00 UST Fees
 \$ 15, 650.00 TOTAL

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

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?

Cash on hand \$49,174.30(Current) Attach current bank statement

Cash on hand \$51,424.00(Estimated amount available on date of confirmation)

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

VII. Management Salaries

MANAGEMENT SALARIES

Position/Name of Person Holding Position	Salary at Time of Filing	Proposed Salary (Post-Confirmation)
Michael Vuick	\$24,000.00	\$12,000.00

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?
 - a. Actions to determine secured status of claimants;
 - b. Chapter 5 Actions, if any
 - c. Actions to enforce the Plan
 - d. Objections to claims
 - e.

IX. Additional Information and Comments

Allegheny County filed claim # 4 for 21,671.99 for real estate taxes for the years 2015-2016. The debtor does not own the real estate and is not liable for the taxes.

The Debtor does not own the real estate. It has a tenancy at sufferance. If the landlord sells the property or issues a notice to vacate to the Debtor, the future payments under the plan will terminate because the Debtor will not be able to operate after it loses is

right to occupy 4440 Broadway Blvd, Monroeville Pa 15146.

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.

If Debtor is a corporation, attach a copy of corporate resolution authorizing the filing of this Disclosure Statement and Plan.

If Debtor is a general partnership, attach a copy of the consent agreement of all general partners to the filing of the bankruptcy.

Date: October 14, 2016

/s/ Donald R. Calaiaro
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:) **Case No. 16-20229 CMB**
McDain Golf Center of Monroeville, LP,) **Chapter 11**
Debtor.) **Document No.**

**CERTIFICATE OF SERVICE of Amended Disclosure Statement to
Accompany Small Business Plan Dated October 14, 2016**

I certify under penalty of perjury that I served the above captioned Order on the parties at the addresses specified below or on the attached list on October 14, 2016.

SERVICE BY FIRST CLASS MAIL:

McDain Golf Center of Monroeville, LP, Attn: Michael Vuick, 4440 Broadway Boulevard
Monroeville, PA 15146

Specialty Lenders, 3205 McKnight East Drive, Pittsburgh Pa 15237

SERVICE BY NEF:

Office of the U.S. Trustee, 1001 Liberty Avenue, Liberty Center, Suite 970, Pittsburgh, PA 15222

The type(s) of service made on the parties (first-class mail, electronic notification, hand delivery, or another type of service) was: **First Class Mail or Notice of Electronic Filing.**

If more than one method of service was employed, this certificate of service groups the parties by the type of service. For example, the names and addresses of parties served by electronic notice will be listed under the heading "Service by Electronic Notification," and those served by mail will be listed under the heading "Service by First-Class Mail."

EXECUTED ON: October 14, 2016

/s/ Donald R. Calaiaro
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