

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

IN RE:)
) Bankruptcy No. 16-23261-CMB
BEVERLY A. CARL, M.D.)
) Chapter 11
Debtor-in-Possession)

**DISCLOSURE STATEMENT
TO ACCOMPANY PLAN DATED OCTOBER 18, 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:

Edgardo D. Santillán, Esquire
Counsel for the Debtor-in-Possession
Santillán Law Firm, PC
775 Fourth Street
Beaver, PA 15009
724-770-1040
412-774-2266 fax
eds@debtlaw.com

I. Background

1. Name of Debtor-in-Possession

BEVERLY A. CARL, M.D.

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

Sole Proprietor

3. Debtor's Business or Employment

The Debtor is a sole proprietor of a medical office wherein she specializes in Cosmetic/Plastic Surgery primarily in Beaver County, PA at 500 Market Street, Suite 202, Bridgewater, PA 15009. She also has a satellite office located at 647 North Broad Street Ext., Suite 102, Grove City, PA 16127 in Mercer County, PA. She has been practicing for 33 years, and is board certified by the American Board of Plastic and Reconstructive Surgery and is a member of the American Society of Plastic Surgeons (ASPS) and the American Society for Aesthetic Plastic Surgery (ASAPS).

Dr. Carl does Facial Rejuvenation/Contouring such as, Face/Neck Lift, Eyelid Surgery, Brow Lift, Botox Injections, Juvederm, Otoplasty, Kybella, and Voluma. She also handles Breast Contouring such as, Breast Enlargement, Breast Lift, Breast Reduction, Male Breast Reduction, and Breast Reconstruction. Finally, she handles Body Contouring such as, Liposuction, Abdominoplasty (Tummy Tuck), and Upper Arm Lift.

4. Date of Chapter 11 Petition

The bankruptcy was initiated by the filing of a Voluntary Petition under Chapter 11 on September 1, 2016.

5. Events that Caused the Filing:

The Debtor-in-Possession initiated the instant filing as a result of an upcoming Upset Tax Sale of her business property located at 500 Market Street Suite 201 Beaver, PA 15009 in Beaver County, Pennsylvania Parcel Number 17-009-0111-000-01-1. The Beaver County Tax Claim Bureau, has a prepetition claim in the amount of \$8,355.70 (representing delinquent real estate taxes).

In addition, the Debtor fell behind in payments to creditors as a result of some personal medical ailments that removed her from practice for several months (in the past). She was able to successfully heal

but, the time off required for the healing process, reduced her monthly income stream necessary to pay for required overhead of her practice, ie, insurance, employees, etc. The Debtor was forced to rely on unsecured debts as a backup plan to continue fulfilling her obligations as an employer, however, the monthly payments required to make the unsecured creditor payments became larger than projected. Her practice is now rebounding but, she needs relief in order to successfully reorganize.

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

Dr. Carl is a 60 year old plastic surgeon that has undergone her own personal medical ailments which had forced her to take time off work/surgeries for her own recovery. The Debtor's Plan proposes to make an aggressive payment plan which will allow her the ability to fulfill her requirements

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*

Class I administrative claims shall remain unimpaired and be paid in full on or before the 30th day after the entry of the Confirmation Order, or in the ordinary course of business or as otherwise agreed to by the parties and approved by the Court. Claims of the professionals engaged by the Debtors, or claims in this class disputed by the Debtors are subject to Bankruptcy Court approval.

The Class II consist of the creditors holding allowed secured tax claims or secured municipal claims against the Debtor-in-Possession's business property located at 500 Market Street Suite 201 Beaver, PA 15009 in Beaver County, Pennsylvania Parcel Number 17-009-0111-000-01-1. These class includes the Beaver County Tax Claim Bureau, with a Claim in the amount of \$8,355.70, as amended, (representing delinquent real estate taxes). The Debtor-in-Possession shall pay these claims in full over a period of 60 months, along with statutory interest beginning 30 days after confirmation of the Plan.

The Debtor-in-Possession reserves the right to payoff these creditors early if funds become available to accomplish same. This class is impaired.

The Class III creditor is unimpaired. This class includes the secured mortgage claim of Betters Real Estate Holdings, LP, secured against the Debtor's residential condo located at 108 Saint Tropez Circle, Beaver Falls, PA 15010. This creditor possesses a claim in the prepetition amount of \$189,700.00. The Debtor is current with mortgage payments on the date of filing and shall continue to make monthly mortgage payments pursuant to the parties' Mortgage and Note. Upon final payment by Debtor, creditor shall promptly satisfy the mortgage filed with the Recorder of Deeds Office of Beaver County, PA. Debtor shall have the right to payoff the mortgage without penalty should she desire.

The Class IV creditor is impaired. This class includes the lease claim of LCA Bank Corporation, in the approximate amount of \$96,511.75 secured against a Aesthetic Laser (lease) Cynosure. The Debtor-in-Possession rejects said contract/lease pursuant to 11 U.S.C. §§ 365(a) and 1123(b)(2). The Debtor shall agree to immediate Relief from Stay to allow for the orderly repossession of the laser by this creditor. This creditor shall not possess any allowed claim.

The Class V unsecured claims are impaired. The total amount of Unsecured Claims (at the time of filing) is \$201,190.22. The Debtor shall pay fifty (50%) percent to this class over a period of five (5) years. Accordingly, the amount of \$100,595.11 shall be paid at an annual distribution of twenty percent (\$20,166.63) will be paid in the first through fifth years of the Plan. These creditors shall receive their prorated share from these annual payments. The Debtor may elect to make payments in monthly distributions. Payments shall commence no earlier than thirty days but nor greater than twelve months following confirmation of the Debtor's Plan of Reorganization.

The Debtor-in-Possession reserves the right to payoff these creditors early if funds become available to accomplish same.

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

Yes 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.*

The Debtor-in-Possession rejects said contract pursuant to 11 U.S.C. §§ 365(a) and 1123(b)(2).

11. *Has a bar date been set? Yes No*

(If not, a motion to set the bar date has been filed simultaneously with the filing of this disclosure statement.)

“Bar Date” for filing Proofs of Claim has been fixed as January 17, 2017

Governmental Units must file their claims by February 28, 2017

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

Yes 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)
<i>Bettors Real Estate Holdings, LP</i>	<i>189,700.00</i>	<i>n/a</i>	<i>Mortgage</i>	<i>L</i>	<i>Y</i>
<i>Beaver County Tax Claim Bureau</i>	<i>8,355.70, as amended</i>	<i>8,355.70</i>	<i>Parcel # 17-009-0111-000-01-1</i>	<i>L</i>	<i>Y</i>
TOTAL	\$197,355.70	8,355.70			

B. *Priority Claims*

PRIORITY CLAIMS

<i>Creditor</i>	<i>Total Amount Owed</i>	<i>Type of Collateral</i>	<i>(D) (L) (U) *</i>
<i>None</i>	<i>0.00</i>		
<i>TOTAL</i>	<i>\$0.00</i>		

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

C. *Unsecured Claims*

1.	<i>Amount Debtor Scheduled (Disputed and Undisputed)</i>	\$201,190.22
2.	<i>Amount of Unscheduled Unsecured Claims¹</i>	\$ 0.00
3.	<i>Total Claims Scheduled or Filed</i>	\$ 9,847.20 (through 10/18/16)
4.	<i>Amount Debtor Disputes</i>	\$ 0.00
5.	<i>Estimated Allowable Unsecured Claims</i>	\$201,190.22

D. *Other Classes of Creditors*

1.	<i>Amount Debtor Scheduled (Disputed and Undisputed)</i>	\$ N/A
2.	<i>Amount of Unscheduled Claims¹</i>	\$ N/A
3.	<i>Total Claims Scheduled or Filed</i>	\$ N/A
4.	<i>Amount Debtor Disputes</i>	\$ N/A
5.	<i>Estimated Allowable Claims</i>	\$ N/A

E. *Other Classes of Interest Holders*

1.	<i>Amount Debtor Scheduled (Disputed and Undisputed)</i>	\$ N/A
2.	<i>Amount of Unscheduled Claims¹</i>	\$ N/A
3.	<i>Total Claims Scheduled or Filed</i>	\$ N/A
4.	<i>Amount Debtor Disputes</i>	\$ N/A
5.	<i>Estimated Allowable Claims</i>	\$ N/A

The claims docket in this case is a public record and may be viewed by any creditor. Debtor's counsel will provide a copy of the claims docket to any creditor upon request.

¹ Includes (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.

III. Assets

<i>Assets</i>	<i>Value</i>	<i>Basis for Value Priority of Lien</i>	<i>Name of Lien Holder (if any) (Fair Market Value/ Book Value)</i>	<i>Amount of Debtor's Equity (Value Minus Liens)</i>
<i>Residence located at 108 Saint Tropez Circle, Beaver Falls. PA 15010</i>	<i>\$104,000.00</i>	<i>Appraised/CMA</i>	<i>Bettors Real Estate Holdings, LP</i>	<i>\$9,150.00</i>
<i>Business property located at 500 Market Street, Suite 201, Beaver, PA 15009</i>	<i>\$105,000.00</i>	<i>Appraisal</i>	<i>Beaver County Tax Claim Bureau</i>	<i>\$96,644.30</i>
<i>2011 Honda Pilot</i>	<i>\$13,000.00</i>	<i>Kelley Blue Book</i>		<i>\$13,000.00</i>
<i>Household furniture</i>	<i>\$4,000.00</i>	<i>Liquidation</i>		<i>\$4,000.00</i>
<i>clothing</i>	<i>\$2,000.00</i>	<i>Liquidation</i>		<i>\$2,000.00</i>
<i>Misc. Costume jewelry, gold necklace</i>	<i>\$500.00</i>	<i>Liquidation</i>		<i>\$500.00</i>
<i>Personal Checking & Savings accounts with Huntington Bank</i>	<i>\$289.54</i>	<i>Actual</i>		<i>\$289.54</i>
<i>Business Checking account with Huntington Bank</i>	<i>\$5,698.97</i>	<i>Actual</i>		<i>\$5,698.97</i>
<i>Business Checking account with Citizens Bank</i>	<i>\$36,867.30</i>	<i>Actual</i>		<i>\$36,867.30</i>
<i>IRAs with National Financial Services & Prudential</i>	<i>\$177,925.00</i>	<i>Actual</i>		<i>\$177,925.00</i>
<i>Accounts receivables</i>	<i>\$20,000.00</i>	<i>Liquidation</i>		<i>\$20,000.00</i>

<i>Office equipment</i>	\$2,000.00	<i>Liquidation</i>		\$2,000.00
<i>Aesthetic Laser (lease) Cynosure.</i>	\$0.00	<i>Leased</i>		\$0.00
<i>Inventory</i>	\$10,000.00	<i>Liquidation</i>		\$10,000.00
	\$481,280.81			\$272,380.81
	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.

YES.

1. *Effective Date of Plan:*

2. *Will cramdown be sought?* ___ Yes No
If Yes, state bar date: _____

3. *Treatment of Secured Non-Tax Claims*

SECURED NON-TAX CLAIMS

<i>Name of Creditor</i>	<i>Class</i>	<i>Amount Owed</i>	<i>Summary of Proposed Treatment</i>
N/A			
TOTAL		\$0.00	

4. *Treatment of Secured Tax Claims*

SECURED TAX CLAIMS

<i>Name of Creditor</i>	<i>Class</i>	<i>Amount Owed</i>	<i>Summary of Proposed Treatment</i>
<i>Beaver County Tax Claim Bureau</i>	2	8,355.70	<i>Payment in full over 5 years with statutory interest</i>
TOTAL		\$8,355.70	

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

ADMINISTRATIVE NON-TAX CLAIMS

<i>Name of Creditor*</i>	<i>Amount Owed</i>	<i>Type of Debt**</i>	<i>Summary of Proposed Treatment and Date of First Payment</i>
Edgardo D. Santillan, Esq	\$15,000.00 Est,	P	Payment of Balance of Administrative Claim over 12 months following confirmation of the Confirmation Order, or in the ordinary course of business or as otherwise agreed to by the parties and approved by the Court. Claims of the professionals engaged by the Debtor, or claims in this class disputed by the Debtor are subject to Bankruptcy Court approval.

6. Treatment of Administrative Tax Claims

ADMINISTRATIVE TAX CLAIMS

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

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

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

² Include all §503(b) administrative claims.

7. *Treatment of Priority Non-Tax Claims*

PRIORITY NON-TAX CLAIMS

<i>Name of Creditor</i>	<i>Class</i>	<i>Amount Owed</i>	<i>Date of Assessment</i>	<i>Summary of Proposed Treatment</i>
NONE				

8. *Treatment of Priority Tax Claims^{PP}*

PRIORITY TAX CLAIMS

<i>Name of Creditor</i>	<i>Class</i>	<i>Amount Owed</i>	<i>Date of Assessment</i>	<i>Summary of Proposed Treatment</i>

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

^{PP}

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

GENERAL UNSECURED NON-TAX CLAIMS

<i>Creditor</i>	<i>Class</i>	<i>Total Amount Owed</i>	<i>Percent of Dividend</i>
<i>Bank of America</i>	5	\$53,890.00	50 %
<i>Capital One</i>	5	\$19,198.00	50 %
<i>Chase</i>	5	\$5,012.00	50 %
<i>Citibank</i>	5	\$9,591.00	50 %
<i>Discover Financial</i>	5	\$10,232.00	50 %
<i>Huntington National Bank</i>	5	\$93,442.22	50 %
<i>Pineloch Estates Planned Community (disputed)</i>	5	\$0.00	0 %
<i>PNC Bank Credit Card</i>	5	\$9,825.00	50 %
TOTAL		\$201,190.22	

10. *Treatment of General Unsecured Tax Claims*

<i>Creditor</i>	<i>Class</i>	<i>Total Amount Owed</i>	<i>Percent of Dividend</i>
<i>NONE</i>			
<i>TOTAL</i>		<i>\$ 0.00</i>	

11. Will periodic payments be made to unsecured creditors?

Yes No First payment to begin: 30 days following confirmation of plan

If so:

Amount of each payment (aggregate to all unsecured claimants)

Estimated date of first payment: n/a

Time period between payments: n/a

Estimated date of last payment: n/a

Contingencies, if any:

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

Debtor-in-Possession income.

Other significant features of the plan:

None, other than stated above.

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 II)	\$481,2800.81
1. Less secured claims (See Section II A)	\$197,355.70
2. Less administrative claims (See Section IV-5-6 and include approximate Chapter 7 expenses)	\$15,000.00 Est
3. Less other priority claims (See Section II B)	\$0.00
4. Less Exemptions	\$212,450.00
Total Amount Available for Distribution to Unsecured Creditors	\$56,475.11
Divided by total allowable unsecured claims of (See Section II C)	\$201,190.22
Percentage of Dividend to Unsecured Creditors:	28 %

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

Yes No

Explain:

The Debtor-in-Possession is proposing a higher percentage distribution than what is **realistically** expected to obtain by a Chapter 7 liquidation in Beaver County, PA (a depressed, lower-income Class 3 County). **50 % distribution vs. 28%** (See above analysis)

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.

\$ 4,300.00

Show how this amount was calculated.

\$ 0.00	<i>Administrative Class</i>
\$1,500.24	<i>Secured Mortgage Creditors</i>
\$150.00	<i>Condo fees</i>
\$ 0.00	<i>Secured Auto Creditors</i>
\$ 300.00	<i>Taxes</i>
\$1,676.58	<i>Unsecured Creditors</i>
<u>\$ 650.00</u>	<i>UST Fees</i>
<u>\$4,276.82</u>	<i>TOTAL</i>

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

The Debtor-in-Possession will continue to obtain new projects, coupled with the savings in the rejected executory contract, will be in a cash positive position.

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?

NO. It is anticipated that the Debtor will make periodic payments toward administrative expenses over a 12 month period unless agreed by the parties and approved by the Court otherwise.

Cash on hand \$ unavailable (Current). Attach current bank statement. (WILL SUPPLEMENT)

Cash on hand \$ 5,000.00 (Estimated amount available on date of confirmation)

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

VII. Management Salaries

MANAGEMENT SALARIES

<i>Position/Name of Person Holding Position</i>	<i>Salary at Time of Filing</i>	<i>Proposed Salary (Post-Confirmation)</i>

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. Additional Information and Comments

X. 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.

/s/ Beverly Ann Carl 10/18/2016
Peter E. Kipin, Jr. President Date

/s/ Edgardo D. Santillan 10/18/2016
Debtor's Counsel Date
Santillan Law Firm, P.C.
775 Fourth Street
Beaver, PA 15009
724-770-1040
412-774-2266 fax
eds@debtlaw.com

OPTIONAL TABLE

6. *Treatment of Other Claims*

N/A

OTHER CLASSES OF CREDITORS

<i>Creditor</i>	<i>Class</i>	<i>Total Amount Owed</i>	<i>Percent of Dividend</i>
NONE			

A. *Will periodic payments be made?*

Yes _____ No _____

If so:

Amount of each payment (aggregate to all claimants) \$ _____
Estimated date of first payment _____
Time period between payments _____
Estimated date of last payment _____
Contingencies, if any: _____

OPTIONAL TABLE

7. *Treatment of Interest Holders (Other Than Equity Holders)*

OTHER CLASSES OF INTEREST HOLDERS

<i>Creditor</i>	<i>Class</i>	<i>Total Amount Owed</i>	<i>Percent of Dividend</i>
NONE			

8. *Treatment of Equity Holders (Specify how the market test of Bank of America National Trust and Savings Association v. 203 North LaSalle Street Partnership, 526 U.S. 434, 110 S.Ct. 1411 (1999), is met)*

EQUITY HOLDERS

<i>Creditor</i>	<i>Class</i>	<i>Total Amount Owed</i>	<i>Percent of Dividend</i>
NONE			

A. *Will periodic payments be made?*

Yes ____ No ____

If so:

Amount of each payment (aggregate to all claimants)

\$ _____

Estimated date of first payment

Time period between payments

Estimated date of last payment

Contingencies, if any: