

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

IN RE: **Bankruptcy No. 16-23385 CMB**
Zamindar Properties, LLC,
Debtor. **Document No.**

**DISCLOSURE STATEMENT
TO ACCOMPANY SMALL BUSINESS PLAN DATED March 26, 2018**

X 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 Ave, Suite 900
Pittsburgh, PA 15219-2230
(412) 232-0930**

I. Background

- 1. Name of Debtor**
Zamindar Properties, LLC
- 2. Type of Debtor**
Corporation owned by Fenix Capital LLC¹
- 3. Debtor's Business or Employment**
The Debtor operates commercial and residential real estate units in its business. The Debtor owns 10 properties; (2) 3-unit buildings; 5 duplexes and a commercial office building a mixed- use building and a four-unit residential building².

¹ Fenix Capital is an LLC whose sole member is Joann Jenkins.

² The Debtor has filed suit to recover 7 properties from PLG II & B2R Repo Seller 2 LP at ADV 18-2012

4. Date of Chapter 11 Petition

September 9, 2016

5. Events that Caused the Filing:

The Debtor employed a manager who did not operate the business prudently. It is suspected that he diverted money and intentionally failed to make payments. The debtor believes this was part of plan to divert money to that Manager. The Debtor fell behind on payments to secured creditors. The secured creditors filed complaints in foreclosure. The Debtor filed for bankruptcy to stop the foreclosures and attempt to reorganize.

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

Prior to the Bankruptcy, Joann Jenkins terminated the manager. At that point, the occupancy was appx. 50 % and the units had suffered a lot of damages because of neglect. The properties are generally in good repair and 95% occupied. The Debtor intends to retain its property and continue the operation of the real estate rental business. The modification of secured claims will create a positive cash flow and provide an increase in cash flow into the business. This increased cash flow will make the Plan feasible and ensure the viability of the Plan of Reorganization. The Debtor has made adequate protection payments during the administration of the case.

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) Class 1, **Administrative Claims**, will be paid in full on the Plan Effective Date.

(B) Class 2, **FNB**, the holder of a **blanket** mortgage on 1298 Pennsylvania Avenue, Monaca, PA 15061 (triplex); property(\$42,500.00): 1311, 13, 15 Market Street, Bridgewater, PA 15009 (triplex); property (\$135,000.00): 1703 Polk Street, Aliquippa, PA 15001 (duplex) 40,000.00; property: 2970 Brodhead Road, Center Township, PA 15001 (duplex)(\$90,000.00); property: 3805-07 41st Avenue, New Brighton, PA 15066 \$140,000.00) (duplex) will be modified by the plan. (Total = \$447,5000) (less R/E taxes \$88,899.08) The Debtor will file a Complaint to Determine the Secured Status of this property. The Debtor will restructure the existing mortgage with a new 30-year fixed rate mortgage at 4.25% based

upon a value of \$447,500.00. The unsecured portion will participate in Class 9. The Debtor will file an adversary action within 15 days of the approval of the Disclosure Statement to enable the Creditor in this class to make a decision on the Plan and to determine the amount the Debtor has estimated is unsecured. The Creditor in this class may have their unsecured claim determined, for purposes of distribution in Class 9 at any time prior to the entry of the final decree. The projected secured claim is \$358,600.92.

- (C) Class 3, **First National Bank**, the holder of a first mortgage on 1013 Bechtel Street, Monaca, PA 15061 (duplex) Fair Market Value of \$63,000.00 will be modified by the plan. After deduction of R/E taxes \$13,572.95, the modified balance will be \$ 50,000.00. The Debtor will restructure the existing mortgage with a new 30-year fixed rate mortgage at 4.5% based upon a value of \$63,000.00. The unsecured portion will participate in Class 9. The Debtor may file an adversary action within 15 days of the approval of the Disclosure Statement to enable the Creditor in this class to make a decision on the Plan and to determine the amount the Debtor has estimated is unsecured. The Creditor in this class may have their unsecured claim determined, for purposes of distribution in class 9 at any time prior to the entry of the final decree.
- (D) Class 4, **First National Bank**, the holder of a first mortgage on 4008 51st Street, New Brighton, PA 15066 (4 units) will be modified by the plan. The Debtor will restructure the existing mortgage with a new 30-year fixed rate mortgage at 4.5%.
- (E) Class 5, **FB Acquisitions Property XVII LLC** the holder of a first mortgage on 457 State Street, Beaver, PA 15009 (duplex); property: 445 State Street, Beaver, PA 15009 will be modified by the plan. The Debtor will restructure the existing mortgage with a new 30-year fixed rate mortgage at 4.5%
- (F) Class 6, **Huntington Bank** is the holder of a first mortgage on 514-516 Atlantic Avenue Monaca, PA 16061. (Balance \$77,000.00) The Debtor will file a Complaint to Determine the Secured Status of this property. The Debtor will file an adversary action within 15 days of the approval of the Disclosure Statement to enable the Creditor in this class to make a decision on the Plan and to determine the amount the Debtor has estimated is unsecured. The Debtor will restructure the modified mortgage with a new 30-year fixed rate mortgage at 5% based upon a value of \$63,000.00. (less R/E taxes \$12,104.16) The Debtor projects the modified secured claim to be \$50,895.84. The unsecured portion will participate in Class 9. The Creditor in this class may have their unsecured claim determined, for purposes of

distribution in class 9 at any time prior to the entry of the final decree.

- (G) Class 7, **Secured and Priority Tax Claims** will be paid in full over 5 years with post confirmation statutory interest. Any recovery from the proposed litigation against Neil Metzger and Wells Fargo will be dedicated to this Class to reduce balances and interest.
- (H) Class 8, **B2R Finance**; the Debtor will resolve the validity of their mortgage and restructure their balance over 30 years with 4.25 % fixed interest. The debtor will waive any objection to the validity of their mortgage and will pay the amount of determined to be due. If the debtor is compelled to complete the avoidance action, the Debtor will file a Complaint to Determine the Secured Status of this property once it is determined to be property of this estate.
- (I) Class 9, the **General Unsecured Creditors** will be paid a fixed dividend of \$60,000.00 over time without any post-confirmation interest. The Debtor will pay a fixed dividend of \$ 60,000.00 over 5 years without interest. The Debtor will make payments of \$1,000.00 for 12 months of each year for 5 years which is a total of 60 payments. The projected dividend to class 9 is estimated to be 26.5%; but the percentage will be adjusted depending on the final amount of allowed claims in this class; this class will include any undersecured claim of mortgage holders and any contingent guaranty claims. Currently the unsecured pool is estimated to be \$226,149.55.
- (J) Class 10, Equity interests in the Debtor will be retained with modifications upon the shareholders and reduced salaries to assist in feasibility of the Plan.

- 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 provide for releases of nondebtor parties? Specify which parties and terms of release.**
- 10. **Identify all executory contracts that are to be assumed or assumed and assigned.
Executory Contracts in the form of leases with tenants shall be assumed as this will be the funding for the plan. All leases with tenants will be assumed and retained.**
- 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).

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)
FNB (Blanket) (Class 2)	\$557,450.00	N/A, balance being restructured	Blanket mortgage multiple units		Modify balance to \$358,600.92 fixed interest of 4.25% over 30 years lien retained
FNB (Class 3)	\$50,000.00	N/A, balance being restructured	1 st mortgage on 1013 Bechtel		Re-amortize current balance due with fixed interest of 4.5% over 30 years lien retained.
FNB (Class 4)	\$79,450.00	N/A, balance being restructured	1 st mortgage on 4008 51 st Street		Re-amortize current balance due with fixed interest of 4.5% over 30 years lien retained.
FB Acquisitions (Class 5)	\$352,746.82	N/A, balance being restructured	445 & 457 State Street	D	Re-amortize current balance due with fixed interest of 4.5% over 30 years lien retained.
Huntington Bank (Class 6)	\$77,000.00	N/A, balance being restructured	1 st mortgage on 514-516 Atlantic		Modify balance to \$50,895.84 fixed interest rate of 4.5% over 30 years lien retained
TOTAL	\$1,116,646.82				

B. Priority Claims

PRIORITY CLAIMS

Creditor	Total Amount Owed	Type of Collateral	(D)(L)(U) *
IRS	\$6,408.00	N/A	DU (Est claim due to unfiled returns)
TOTAL	\$6,408.00		

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

C. Unsecured Claims

1. Amount Debtor Scheduled (Disputed and Undisputed)	\$ 6,104.34
2. Amount of Unscheduled Unsecured Claims ³	\$ 0.00
3. Total Claims Scheduled or Filed	\$ 6,104.36
4. Amount Debtor Disputes	\$ 0.00
5. Estimated Allowable Unsecured Claims	\$ 6,104.34

D. Other Classes of Creditors

1. Amount Debtor Scheduled (Disputed and Undisputed)	\$ 0.00
2. Amount of Unscheduled Claims ¹	\$
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)	\$ 0.00
2. Amount of Unscheduled Claims ¹	\$
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)
Huntington Bank-Checking	\$1.12	Actual		\$1.12
Wells Fargo Bank-Checking	Unknown			
1013 Bechtel Street Monaca, PA 15061	\$63,000.00	Debtor's Opinion	FNB	0

³Includes 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.

1298 Pennsylvania Avenue Monaca, PA 15061	\$42,500.00	Debtor's Opinion	FNB (Blanket)	0
1311, 1313, 1315 Market Street Bridgewater, PA 15061	\$135,000.00	Debtor's Opinion	FNB (Blanket)	0
4008 51 st Street New Brighton, PA 15066	\$160,000.00	Debtor's Opinion	FNB	\$54,828.29
457 State Street Beaver, PA 15009	\$140,000.00	Debtor's Opinion	FB ACQ	\$15,770.30
1703 Polk Street Aliquippa, PA 15001	\$40,000.00	Debtor's Opinion	FNB (Blanket)	0
2970 Brodhead Road Center Township, PA 15001	\$90,000.00	Debtor's Opinion	FNB (Blanket)	0
3805-07 41 st Avenue New Brighton, PA 15066	\$140,000.00	Debtor's Opinion	FNB (Blanket)	0
445 State Street Beaver, PA 15009	\$275,000.00	Debtor's Opinion	FB ACQ	\$30,977.38
514-516 Atlantic Avenue Monaca, PA 15061	\$63,000.00		Hunt Nat Bank	0
	\$1,148,501.12			\$101,577.09

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.

IV. SUMMARY OF PLAN

1. Effective Date of Plan: June 1, 2018

2. Will cramdown be sought? X 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
FNB	2	\$557,450.00	Modify balance to \$358,600.92 fixed interest of 4.25% over 30 years lien retained
FNB	3	\$50,000.00	Re-amortize current balance due with fixed interest of 4.5% over 30 years lien retained.

FNB	4	\$79,450.00	Re-amortize current balance due with fixed interest of 4.5% over 30 years lien retained.
FB Acquisitions XVII LLC POC # 6	5	\$352,746.82	Re-amortize current balance due with fixed interest of 4.5% over 30 years lien retained.
Huntington Bank	6	\$77,000.00	Modify balance to \$50,895.84 fixed interest rate of 4.5% over 30 years lien retained
B2R	8	unknown	The Debtor will resolve the validity of their mortgage and restructure their balance over 30 years with 4.25 % fixed interest. The debtor will waive any objection to the validity of their mortgage and will pay the amount of determined to be due. If the debtor is compelled to complete the avoidance action, the Debtor will file a Complaint to Determine the Secured Status of this property once it is determined to be property of this estate.
TOTAL		\$1,116,646.82	

4. Treatment of Secured Tax Claims

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
Pulaski Township – POC # 5 For 4008 51 st Street	7	498.36	All secured tax claims will be paid in full over 5 years with statutory interest.
New Brighton SD - POC # 5 For 4008 51sr Street	7	2,285.94	All secured tax claims will be paid in full over 5 years with statutory interest.
New Brighton SD - POC # 5 For 3805-07 41 st Avenue	7	1967.82	All secured tax claims will be paid in full over 5 years with statutory interest.
Pulaski Township - POC # 5 For 3805-07 41 st Avenue	7	429.00	All secured tax claims will be paid in full over 5 years with statutory interest.
Rochester S D POC # 8 This property is not listed in schedules	7	4,331.98	Claim will be objected to because debtor does not own this property
Beaver Co Tax Claim Bureau POC # 10 for 3805-07 41 st Street	7	19,802.29	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 11 for 1098 Pennsylvania Avenue	7	13,783.26	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau	7	22,937.41	All secured tax claims will be

POC # 12 for 4008 51 st Street			paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 13 for 514-516 Atlantic	7	12,104.16	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 14 for 1311 Market Street	7	28,985.04	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 15 for 2970 Broadhead Road	7	11,265.54	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 16 for 1703 Polk Street	7	4,655.47	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 17 for 1013 Bechtel Street	7	13,572.95	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 19 for State Street	7	5,351.77	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Co Tax Claim Bureau POC # 20 for State Street	7	10,153.73	All secured tax claims will be paid in full over 5 years with statutory interest.
Aliquippa School District POC #9 For 1703 Polk Street	7	\$ 1,023.42 @ 0% Int.	All secured tax claims will be paid in full over 5 years with statutory interest.
Aliquippa School District POC #9 For 1703 Polk Street	7	\$ 3,308.56 @ 10% int.	All secured tax claims will be paid in full over 5 years with statutory interest.
Beaver Area School District POC #1 for 1311 Market Street Bridgewater	7	\$2,677.68	All secured tax claims will be paid in full over 5 years with statutory interest.
Bridgewater Boro POC #2 For 1311 Market Street	7	\$1,001.00	All secured tax claims will be paid in full over 5 years with statutory interest.
TOTAL		\$160,207.65	

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 Payment
Calaiaro Valencik	\$50,000.00	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	\$50,650.00		

²Include all §503(b) administrative claims.

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

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

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			

8. Treatment of Priority Tax Claims³:

PRIORITY TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
IRS	7	0	N/A	Taxes to be filed debtor expects liability of 0

9. Treatment of General Unsecured Non-Tax Claims:

GENERAL UNSECURED NON-TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
Duquesne Light POC # 7	10	\$758.57	26.5%
Peoples Gas POC # 18	10	\$392.74	26.5%
FNB Estimated Unsecured Claim	10	\$198,894.08	26.5%
Huntington Bank Estimated Unsecured Claim	10	\$26,104.16	26.5%
TOTAL		\$222,149.55	

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 First payment to begin August 2018

If so:

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

Amount of each payment (aggregate to all unsecured claimants) \$1,000.00

Estimated date of first payment: August 2018

Time period between payments: Monthly

Estimated date of last payment: July 2023

Contingencies, if any:

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

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	\$1,148,501.12
(See Section III)	
1. Less secured claims (See IV-2)	\$1,116,646.82
2. Less administrative expenses (See IV-3 and include approximate Chapter 7 expenses)	\$ 250,000.00⁴
3. Less other priority claims (See IV-4)	\$ 160,207.65
Total Amount Available for Distribution to Unsecured Creditors	\$ 0.00
Divided by total allowable unsecured claims of	\$ 226,149.55
(See Section II C)	
Percentage of Dividend to Unsecured Creditors:	0%

Will the creditors fare better under the plan than they would in a Chapter 7 liquidation? Yes x No Explain:

In a Chapter 7 the unsecured creditors would receive no dividend, due to administrative costs, real estate transfer taxes, real estate broker's fees and other closing costs. Here they are sharing in \$60,000.00

⁴ This includes the costs of liquidation transfer taxes, real estate broker's fees, chapter 7 trustee fees, closing costs and capital gains on any sales.

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.

Show how this amount was calculated.

\$50,000.00	Administrative Class
\$	Taxes
\$	Unsecured Creditors
\$ 650.00	UST Fees
<u>\$50,650.00</u>	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 \$ (Current) Attach current bank statement

Cash on hand \$ (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)
Joann Jenkins	N/A	\$1,000.00 per month if cash flow allows

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

- 1. **What, if any, Litigation is pending?**
ADV 18-2012 vs PLG II LLC & B2R Repo Seller 2 LP

