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

IN RE:
The Dille Family Trust,
a California Business Trust,
Debtor.

Bankruptcy No. 17-24771 JAD
Chapter 11

Document No.

DISCLOSURE STATEMENT
TO ACCOMPANY PLAN DATED March 28, 2018

___ 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:

Michael Kaminski, Esquire
Calaiaro Valencik
428 Forbes Ave, Suite 900
Pittsburgh, PA 15219-2230
(412) 232-0930

I. Background

1. **Name of Debtor**
   Dille Family Trust, a California Business Trust.

2. **Type of Debtor**
   Business Trust

3. **Debtor's Business or Employment**
   Licensing of Intellectual Property associated with the fictional character "Buck Rogers".

4. **Date of Chapter 11 Petition**
   November 28, 2017

5. Events that Caused the Filing:

In order to defend its intellectual property rights the Debtor became involved in two litigation matters. One in the United States District Court for the Eastern District of Pennsylvania styled The Dille Family Trust v The Newlan Family Trust at case No. 2:15-cv-06231-WB, and one in the United States District Court for the Western District of Pennsylvania styled Team Angry Filmworks, Inc. v Louise A. Geer, Trustee of the Dille Family Trust at case No. 2:15-cv-01381-JFC. The cost of prosecuting the actions exceeded the funds generated by the Dille Family Trust for licensing its intellectual property. Initially, the cost of the litigation was funded through loans from Lorraine Dille Williams, one of the Beneficiaries of the Dille Family Trust. Ultimately Ms. Williams determined that she could no longer fund the litigation costs. Expecting that litigation to conclusion would cost approximately $500,000 to $750,000, and with no source of funds to pay such litigation costs, the Trustee of the Dille Family Trust, Louise A. Geer determined that the best way to preserve the value of the Estate's assets for the benefit of all creditors was to file a Chapter 11 Petition for the Debtor, and sell all of the assets.

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

All assets of the Debtor will be liquidated. The proceeds from the sale of the assets, net costs of sale, will be distributed in accordance with the priorities established by the Bankruptcy Code.

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 1 Administrative creditors will be paid in full on the Effective Date, or in the ordinary course of business, or as otherwise agreed by the parties.

Class 2 After payment in full of Class 1, Class 2 General Unsecured Creditors will be paid the net proceeds of the sale of the Debtor's assets on a pro rata basis, until their claims are paid in full.

Class 3 The Beneficiaries of the Dille Family Trust will be paid the net proceeds from the sale of the Debtor's assets remaining after payment in full of creditors in classes 1 and 2 in accordance with the documents establishing the Dille Family Trust, as modified and amended from time to time.

8. Are All Monthly Operating Statements Current and on File with the Clerk of Court? Yes _X_ No ___ If Not, Explain:

8. 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? 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).** 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)
None					

9. Priority Claims

PRIORITY CLAIMS

Creditor	Total Amount Owed	Type of Collateral	(D)(L)(U) *
None			

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

C. Unsecured Claims- Class

1.	**Amount Debtor Scheduled (Disputed and Undisputed)**	**$ 787,299.59**
2.	**Amount of Unscheduled Unsecured Claims[1]**	**$ 18,663.50**
3.	**Total Claims Scheduled or Filed**	**$ 805,963.09**
4.	**Amount Debtor Disputes**	**$**
5.	**Estimated Allowable Unsecured Claims**	**$**

D. Other Classes of Creditors – Class 3

1.	**Amount Debtor Scheduled (Disputed and Undisputed)**	**$**
2.	**Amount of Unscheduled Claims[1]**	**$**
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)** **$**
2. **Amount of Unscheduled Claims**[1] **$**
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)
Cash	$1,472.88	Bank Balance	None	$1,472.88
Furniture	$525.00	Debtor's estimate	None	$525.00
Inventory	$3,500.00	Debtor's Estimate	None	$3,500.00
Intellectual Property	$315,000	Debtor's estimate	None	$315,000
	$320,497.88			$320,497.88

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: NO

2. **Are any assets listed above claimed as exempt? If so attach a copy of Schedule C and any amendments. N/A**

IV. SUMMARY OF PLAN

1. **Effective Date of Plan:** June 2018
2. **Will cramdown be sought? __X_ Yes ___ No**
   If yes, state bar date:
9. **Treatment of Secured Non-Tax Claims**
10.

SECURED NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
None			

9. **Treatment of Secured Tax Claims**

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment

5. Treatment of Administrative Non-Tax Claims

ADMINISTRATIVE NON-TAX CLAIMS

Name of Creditor *	Amount Owed	Type of Debt **	Summary of Proposed Treatment and Date of First Payment
Calaiaro Valencik	$75,000	Attorney for Debtor Fees	To be paid in full on the Plan Effective Date.
United States Trustee		Court Costs	To be paid in full on the Plan Effective Date.
Heritage Auctions	7%	Auctioneer Fees	To be paid in full from Auction Proceeds

*** Identify and Use Separate Line for Each Professional and Estimated Amount of Payment**
**** Type of Debt (P=Professional, TD=Trade, TX=Taxes)**

9. 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			

9. 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 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
Becker & Co	2	$450.00	Estimated to be approximately 28%
David Gettings, CPA	2	$500.00	Estimated to be approximately 28%
Fox Rothchild	2	$49,174.00	Estimated to be approximately 28%
Geer & Herman P.C.	2	$143,500.00	Estimated to be approximately 28%
IM Global	2	Unknown	Estimated to be approximately 28
Jeff Rovin	2	$1,000.00	Estimated to be approximately 28%
Jerry Wind	2	$500.00	Estimated to be approximately 28%
Kloss Stenger	2	$129,830.61	Estimated to be approximately 28%
Leech Tishman	2	$50,753.00	Estimated to be approximately 28%
Lorraine Williams	2	$363,409.57	Estimated to be approximately 28%
Louise Geer	2	$22,458.33	Estimated to be approximately 28%

Matthew Fladell	2	$5,000.00	Estimated to be approximately 28%
Michael S. Ramage	2	$919.17	Estimated to be approximately 28%
NBC Universal Television	2	$546.00	Estimated to be approximately 28%
Pietragallo Gordon	2	$17,733.00	Estimated to be approximately 28%
Precision Sample LLC	2	$2,705.00	Estimated to be approximately 28%
Richard Spreng	2	$6,200.00	Estimated to be approximately 28%
Thomas Andrea	2	$5,000.00	Estimated to be approximately 28%
Veritext Corp. Mid-Atlantic	2	$5,784.41	Estimated to be approximately 28%
Wind Associates	2	$500.00	Estimated to be approximately 28%
TOTAL		$805,963.09	

10. Treatment of General Unsecured Tax Claims:

GENERAL UNSECURED TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
NONE		0	

11. Will periodic payments be made to unsecured creditors?
Yes ____ No <u>N/A</u>

If so:
Amount of each payment (aggregate to all unsecured claimants) -0-
Estimated date of first payment:
Time period between payments:
Estimated date of last payment:
Contingencies, if any:

State source of funds for planned payments, including funds necessary for capital replacement, repairs, or improvements: Auction of all of the Debtor's assets.

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)	$320,497.88
1. Less secured claims (See IV-2)	$0.00

2. Less administrative expenses (See IV-3 and include approximate Chapter 7 expenses)	$137,500
3. Less other priority claims (See IV-4)	$0.00
Total Amount Available for Distribution to Unsecured Creditors	$182,997
Divided by total allowable unsecured claims of (See Section II C)	$805,963.09
Percentage of Dividend to Unsecured Creditors:	*22.70%*

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 Debtor estimates that an additional $40,000 in administrative expenses will accrue, which will reduce the amount available for unsecured creditors..

<u>VI.</u> <u>Feasibility</u>

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.

$75,000	Administrative Class
$0.00	Taxes
$222,350	Unsecured Creditors
<u>$650.00</u>	UST Fees
$298,000	TOTAL

What assumptions are made to justify the increase in cash available for the funding of the plan?
The Debtor's assets will receive, net of cost of sale, $298,000 from the proceeds of the Auction.

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. Net Auction Proceeds

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)
Louise A. Geer	N/A	NONE

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

1. What, if any, Litigation is pending?
Actions with Team Angry Filmworks, Inc., and the Newlan Family Trust. After the Auction the purchaser of the Debtor's U.S. rights will be substituted as the party in interest, should they so choose.

2. What, if any, Litigation is Proposed or Contemplated?
1. **Objections to claims;**
2. **Actions to enforce the Plan**

IX. Additional Information and Comments

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: March 28, 2018

BY: /s/ Michael Kaminski
Donald R. Calaiaro, Esquire, PA I.D. #27538
dcalaiaro@c-vlaw.com
BY: /s/ David Z. Valencik
David Z. Valencik, Esquire, PA I.D. #308361
dvalencik@c-vlaw.com
BY: /s/ Michael Kaminski
Michael Kaminski, Esquire, PA I.D. 53493
mkaminski@c-vlaw.com
CALAIARO VALENCIK
428 Forbes Avenue, Suite 900
Pittsburgh, PA 15219-1621
(412) 232-0930