

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF SOUTH CAROLINA**

IN RE:	)	CASE NO: 16-04486-JW
Dorch Community Care Center, LLC	)	
	)	CHAPTER 11
Debtor.	)	
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**DISCLOSURE STATEMENT**

Filed by the Debtor-in-Possession

On January 5, 2017

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## I. INTRODUCTION

The Debtor-in-Possession, Dorch Community Care Center, LLC (“Debtor”), provides this Disclosure Statement to all of its known creditors pursuant to § 1125 of the United States Bankruptcy Code (11 U.S.C. §§ 101 et seq.). The purpose of this Disclosure Statement is to provide such information as may be deemed material, important, and necessary for the Debtor’s creditors to make a reasonable, informed decision in exercising their right to vote for the acceptance of the Plan of Reorganization of the Debtor (the “Plan”). The Plan is filed concurrently by the Debtor, and accompanies this Disclosure Statement.

EXCEPT WHERE SPECIFICALLY STATED OTHERWISE, THE DISCLOSURE STATEMENT HAS BEEN PREPARED BY THE DEBTOR BASED ON INFORMATION AVAILABLE TO THE DEBTOR. NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS TO THE FUTURE BUSINESS OPERATIONS OR THE VALUE OF ASSETS OF THE DEBTOR) ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY.

Various classes under the Plan are shown to be impaired. Impairment is defined to mean any change in the terms of the contracts or agreements between the Debtor and creditors, which alters the terms of the agreements between the parties.

Approval of this Disclosure Statement by the Court does not constitute approval of the Plan. The Court will set a date at a later time for a hearing on the acceptance of the Plan. Notice of the hearing will be mailed to creditors, and, upon receiving the Notice of Hearing, creditors may vote on the Plan by completing the Ballot mailed with the Notice of Hearing and then returning the Ballot to the Bankruptcy Court. As a creditor, your vote is important. The Plan will be confirmed by the Court if at least one impaired class of creditors has accepted the Plan, without counting the votes of any insiders within that class, and all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes; A class of claims accepts the Plan if both of the following occur: , as it is accepted by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of creditor claims in each class voting on the Plan.

The Plan is a separate legally binding document if it is confirmed. All creditors are urged to read the Plan in its entirety and are cautioned not to rely solely on this Disclosure Statement.

In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to those particular classes rejecting it.

NOTE: The following discussion of claims is based on the Debtor’s Schedules and filed claims. Despite the narration herein and any representation in Debtor’s Schedules, no claim will receive payment except to the extent that it is scheduled or allowed by the Court and provided herein. Any reference to the amount of a claim does

not constitute a concession that the claim will be allowed in that amount, or in any amount.

## **II. HISTORY, FINANCIAL DATA, AND PROPERTY OF THE DEBTOR**

### **A. History**

In 1985, Debtor's owners opened the Dorch Community Care Center in Clarendon County, Manning South Carolina. Its mission then, as well as now, is to provide housing and assisted care to persons in need of such services in the Clarendon County area. The present owners are Andrew Dorch and Evelyn Lewis. These siblings inherited the business from their parents. Andrew Dorch is in charge of the day-to-day operations of the business. The Center presently operates at maximum capacity and houses thirteen (13) residents.

### **B. Assets**

At present the Debtor has the assets and values as listed on Schedules A/B with the liens listed on Schedule D. The Debtor's main asset are the two buildings and the real property on which these buildings are located. The present value is \$180,000.00

### **C. Financial Data and Current Conditions**

#### **Events Leading to the Chapter 11 Filing**

The present manager, Andrew Dorch, suffered a stroke in 2008. Following that event, the Debtor lost its long time Director. The Debtor then began having problems with retaining the services of a qualified Director who truly believed in the Debtor's mission. The Debtor began to lose residents, and as a result, income began to drop significantly.

The current condition of the Debtor is shown in the most recent Monthly Operating Report on file with the Clerk of Court. The Debtor proposes to continue its business operations and projects increased revenue as set forth in the six month projections referred to here. These projections cover the first six months of operations since the filing of the Petition for Relief. These projections were prepared by the Debtor with its attorney's assistance. They were presented to the Office of the United States Trustee. These were projections and no guarantee can be made that the figures are an accurate projection, but were sincerely believed to be possible by the Debtor at the time. The Debtor presently has monthly income of \$17,563.00. The income is derived from the payments received on behalf of the thirteen (13) residents who presently reside at the Debtor's facility.

#### **D. Litigation**

At the time the petition was filed, the Debtor was involved as a Defendant in the following foreclosure proceedings:

1) South Carolina Community Bank vs. Dorch Community Care Center, LLC filed in Clarendon County, Manning, South Carolina.

#### **E. Preferential or Otherwise Voidable transfers**

The Debtor believes there are no preferential or avoidable transfers.

#### **F. Absolute Priority Rule**

The Debtor will continue in possession of her property and make payments to creditors pursuant to the Plan. The Debtor has not provided for any payments to be made to itself or to an insider as a creditor.

### **III. SUMMARY OF PROPOSED PLAN**

NOTE TO ALL CREDITORS: THE LISTING OF THE CREDITORS OF THE DEBTOR IN THE SCHEDULES OR IN THE DISCLOSURE STATEMENT OR PLAN OF REORGANIZATION, DOES NOT CREATE AN ALLOWED CLAIM. THE DEBTOR RETAINS THE RIGHT TO OBJECT TO ANY AND ALL CLAIMS FOR THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF CONFIRMATION AND RATHER THAN OBJECTING TO THE CLAIM MAY ALTER TREATMENT OF PAYMENT OF THE CLAIM. INCLUDING PAYMENT IN PART, THROUGH THE PLAN PROVISIONS. IF THE DEBTOR FILES AN OBJECTION, A HEARING MAY BE HELD BY THE COURT AND THE COURT WILL MAKE THE DETERMINATION AS TO WHETHER AND IN WHAT AMOUNT THE CLAIM IS ALLOWED. ONLY THOSE CREDITORS HAVING EITHER AN ALLOWED CLAIM OR LISTED ON SCHEDULES D, E OR F WILL BE PAID.

CLASS NUMBER 1: This class consists of *administrative priority* expenses incurred during this case and includes attorneys' fees and expenses, accounting fees and expenses, quarterly fees due to the U.S. Trustee, and any and all taxes incurred during the administration of this estate. These amounts will be paid, after approval by the Court, first from the funds held on retainer and immediately upon approval of fees and expenses by the Court. The remaining unpaid fees and expenses will be paid from the Debtor's cash flow. The quarterly fees due the Office of the United States Trustee are current and continue to be paid from cash flow when they are due. This class is unimpaired.

CLASS NUMBER 2: **Taxes**

2.1

- 2.1 This class consists of the Internal Revenue Service (IRS) For taxes. Payments of the unsecured Priority claim of \$167,313.58 shall be paid at \$2,790.00 per month for 60 months;
- 2.2 This class consists of the Internal Revenue Service (IRS) for taxes. Payment of the unsecured Priority claim of \$31,931.00 shall be paid at \$270.00 per month until paid in full;
- 2.3 Clarendon County Treasurer for real property taxes claim of \$2,352.92 to be paid at \$40.00 per month for 60 months;
- 2.4 South Carolina Unemployment and Workforce claim of \$36,458.26 to be paid at \$700.00 per month for 60 months.

**CLASS NUMBER 3: Secured claims, Schedule D**

- 3.1 South Carolina Community Bank's claim of \$200,000.00 secured by Debtor's commercial property located in Clarendon County, Manning, South Carolina. The Debtor shall pay this claim at the rate of 42,850.00 until the claim is paid in full. Debtor will continue to remit adequate protection payments of \$1,000.00 until the Effective date of the Plan.
- 3.2 Secured claim of IRS for \$13,455.00 will be paid at \$260.00 per month for 60 months.

**CLASS NUMBER 4: Unsecured Creditors will be paid 100% of their claims.**

- 4.1 **Bank of Clarendon \$800.00**

4.2 Claims to unknown unsecured creditors are not provided  
for at this time.

#### **IV. CLAIMS OBJECTIONS**

The Debtor has objected to the following claims: All unfiled Claims of any Creditors listed on creditor schedules D, E/ F.

#### **V. CONCLUSION**

Creditors and parties in interest should review carefully, the contents of the Plan of Reorganization filed herewith to determine specific treatment of their rights or claims against the Debtor. The Debtor believes that the provisions it has made for its creditors are feasible, fair and equitable and that the Plan, as confirmed, will provide benefit for all parties.

By: /s/J. Carolyn Stringer, ID#1005

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Dorch Community Care Center )  
LLC ) Chapter 11  
Debtor(s) )  
\_\_\_\_\_ )

**CERTIFICATE OF SERVICE**

I, J. Carolyn Stringer, Attorney for the debtor (s), did serve the person(s) named below with the Document(s) listed below by electronic service or by the United States Postal Service with sufficient postage attached.

DATE SERVED: January 5, 2017

DOCUMENT(S) SERVED: Disclosure Statement

Person(s) Served: Office of the United States Trustee  
Electronic Service

Charles J. Webb, Esquire  
Richardson, Plowden & Robinson, P.A.  
Post Office Drawer 7788  
Columbia SC 29202

John D. Barnett, Esquire  
U.S. Attorney's Office  
1441 Main St. Suite 500  
Columbia SC 29201

All Creditors on attached mailing matrix

/s/J. Carolyn Stringer ID#1005  
Attorney for Debtor(s)  
PO Box 25345, Columbia SC 29224-5345  
(803) 786-1405; fax: (803) 786-1406  
jcarolynstringer@sc.rr.com

Label Matrix for local noticing  
0420-2  
Case 16-04486-jw  
District of South Carolina  
Charleston  
Thu Jan 5 23:07:19 EST 2017

Dorch Community Care Center LLC  
PO Box 122  
Manning, SC 29102-0122

IRS  
PO Box 7346  
Philadelphia PA 19101-7346

SC Employment and Workforce  
PO BOX GADSDEN STREET  
COLUMBIA SC 29202

South Carolina Department of Employment and  
R. E. David Building  
P.O. Box 8597  
Columbia, SC 29202-8597

J. Carolyn Stringer  
PO Box 25345  
Columbia, SC 29224-5345

Charles J. Webb  
Richardson Plowden & Robinson PA  
1900 Barnwell Street  
Columbia SC 29201-2604

Evelyn Lewis  
PO Box 122  
Manning SC 29102-0122

Internal Revenue Service  
Centralized Insolvency Operation  
PO Box 7346  
Philadelphia, PA 19101-7346

South Carolina Community Bank  
c/o Charles J. Webb  
1900 Barnwell Street  
Columbia, SC 29201-2604

South Carolina Dept of Revenue  
P O Box 12265  
Columbia SC 29211-2265

US Trustee's Office  
Strom Thurmond Federal Building  
1835 Assembly St.  
Suite 953  
Columbia, SC 29201-2448

Clarendon County Tax Collector  
411 Sunset Drive  
Manning SC 29102-2423

Elisabetta G. Gasparini  
Office of the United States Trustee  
1835 Assembly Street Suite 953  
Columbia, SC 29201-2448

Eugene B. McLeod III  
SC Dept of Employment & Workforce  
PO Box 8597  
Columbia, SC 29202-8597

South Carolina Community Bank  
1505 Sumter Street  
Columbia SC 29201

John Timothy Stack  
Office of the United States Trustee  
1835 Assembly Street Suite 953  
Columbia, SC 29201-2448

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d) Charles J. Webb  
Richardson Plowden & Robinson PA  
1900 Barnwell Street  
Columbia, SC 29201-2604

End of Label Matrix	
Mailable recipients	16
Bypassed recipients	1
Total	17