

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TENNESSEE
SOUTHERN DIVISION

IN RE:)	
)	CASE NO. 1: 16-bk-12254-SDR
INMAN STREET PROPERTIES, LLC)	
)	CHAPTER 11
Debtor.)	

CHAPTER 11 DISCLOSURE STATEMENT

September 14, 2016

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Debtor-in-Possession

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**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF TENNESSEE
AT CHATTANOOGA**

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DISCLOSURE STATEMENT

INTRODUCTION

BACKGROUND OF THE DEBTOR/CIRCUMSTANCES REQUIRING FILING OF THIS BANKRUPTCY

Inman Street Properties, LLC., (“Debtor” or “Debtor-In-Possession”) is a limited liability company formed in 2006 for the purpose of purchasing real estate located in Cleveland, Tennessee. The Chief Manager of this LLC is Mike Hodnett. Mr. Hodnett also owns an entity, All Metal Salvage, LLC., which is in the business of purchasing recyclable metal for resale. Due to the decline in the market for scrap metal, the debtor became delinquent in the payments to its only secured creditor, United Community Bank.

CASE HISTORY

The Debtor filed this voluntary Chapter 11 on June 01, 2016. A meeting of creditors was conducted on July 11, 2016. An Agreed Order with United Community Bank for Limited Use of Cash Collateral and Adequate Protection was entered on September 13, 2016 (Doc. 32).

AVAILABLE ASSETS

The Debtor owns the real property listed in Schedule A of the Chapter 11 petition. Schedule B of the voluntary petition reflects the Debtor's best estimate as to the value of its personal property. The U.S. Trustee has not requested that the Debtor be required to file official Form B26, pursuant to Fed. R. Bankr. Proc.2015.3.

PLAN OF REORGANIZATION

The Debtor In Possession, Inman Street Properties, LLC., hereby submits its' Plan of re-organization for the structuring of all of its' debt to all of its' creditors. This Plan of re-organization will be submitted to a vote by the creditors pursuant to 11 U.S.C. §1126. As a general rule, a class of creditors votes to accept the plan if more than one-half in number of claims and two-thirds in amount of the allowed claims of the class vote to accept the plan. If a class does not vote to accept the plan, the court may nevertheless approve the plan if an impaired class of non-insider creditors vote to accept the plan and the court finds the plan is fair and equitable. This Plan filed by the Debtor-in-Possession, Inman Street Properties, LLC., proposes the following payments to all of his creditors.

Class 1. Administrative Claims and Professional Fees:

Application for employment of Richard L. Banks has been filed and approved.

Administrative claims for professionals shall be paid on the Effective Date of the Plan or upon allowance by the Court, (if allowance is different than the Effective Date), except to the extent that the holder of the Administrative Claim agrees to a different treatment. The amount of claims for professional fees may increase between the date of filing the plan and the Effective Date.

All fees payable to the United States Trustee pursuant to 28 U.S.C. §1930 shall be paid when due.

Class 1. Administrative Claims and Professional Fees:

The Debtor will pay all administrative claims. Any administrative expenses which have accrued, but which are not yet due at the time of confirmation, will be paid in the ordinary course of the Debtor's business at or prior to the time they become due. The Debtor knows of no unpaid administrative claims except for professionals. This class is not impaired.

Class 2. Priority Tax Claims (Claims No. 1-17):

The pre-petition priority tax claims of the **City of Cleveland** in Class 2 will be treated as follows:

- As to claims No. 1-7, the claims will be paid within Sixty (60) months of the Petition Date including all statutory interest through the co-debtor's (Rhonda Hodnett) Chapter 13 bankruptcy (case no. 16-12555) filed on June 20, 2016. (Mrs. Hodnett is a 49% equity owner of the debtor.)

The pre-petition priority tax claims of the Bradley County Trustee in Class 2 will be treated as follows:

- As to claims No. 8-17, the claims will be paid in full will be paid within Sixty (60) months of the Petition Date including all statutory interest through the co-debtor's (Rhonda Hodnett) Chapter 13 bankruptcy (case no. 16-12555) filed on June 20, 2016. (Mrs. Hodnett is a 49% equity owner of the debtor.)

Class 3. Secured claim of United Community Bank. (not filed):

The pre-petition secured claim of the United Community Bank in Class 2 will be treated as follows:

- The claim will be paid a secured value to \$271,303.78 amortized over a fifteen (15) year period a 4.5% interest with payments of \$2,075.46 per month. Any balance at the end of the fifteen (15) year term shall be paid in full at that time or the claim paid in full upon the projected sale of the real estate owned by the debtor.

Class 4. General and under-secured pre-petition claims (Claim No. 18):

- The general, pre-petition claims in Class 4 will be paid in full upon the projected sale of the real estate and the business operating on the property owned by the debtor.

MEANS TO FUND PLAN

During the periods before the Effective Date and after the Effective Date, the Debtor-in-Possession will continue to operate the business and make the plan payments directly to the creditors.

The Debtor shall be required to fulfill every obligation placed upon it by this Plan following Confirmation. The Debtor shall timely file all operating reports until a Final Decree is entered and pay any/all fees due the United States Trustee. The Debtor shall continue to remain current in all post-petition state and federal taxes and shall timely file all necessary returns.

LIQUIDATION ANALYSIS

Any and all property, either real or personal, owned by the Debtor is fully encumbered by the lien of United Community Bank and creditors, based upon the opinion of the Debtor, would receive no dividend if this case was converted to Chapter 7.

MISCELLANEOUS

No statement or information concerning the Debtor or his assets is authorized for consideration with respect to this disclosure statement or the associated plan except as set forth in this disclosure statement and the plan.

The Debtor's net revenue, expenses and net income are reflected in Amended Schedules I and J. All of the monthly operating reports of the Debtor will be filed at the United States Bankruptcy Court Clerks' office, United States Bankruptcy Court, Historic U.S. Courthouse, 31 East 11th Street, Chattanooga, TN 37402-2722.

The Debtor shall continue to file operating reports in accordance with E.D. Tenn. LBR 2015-2 until the bankruptcy case is converted or dismissed or a Final Decree is entered. The Debtor is specifically authorized to use the quarterly, post-confirmation operating reports posted on the U.S. Trustee's website.

The Debtor shall also continue to pay U.S. Trustee timely, quarterly fees in accordance with 11 U.S.C. §1930(a)(6) until the case is converted or dismissed or a Final Decree is entered. The Debtor intends to move this Court for a final decree once the Plan is confirmed and the initial payments have been made.

The Debtor intends for the Final Decree to allow the Debtor to reopen the case and move for a discharge at the conclusion of the payments. The Debtor shall only be allowed a discharge

after providing a full accounting of the debtor's income and expenses and plan payments for the period following the entry of the final decree.


CONCLUSION

If this Plan is not accepted and enacted, the Debtor runs the risk of having to convert to Chapter 7. As stated above, a Chapter 7 would bring no dividend to unsecured creditors.

Respectfully Submitted,

/s/ Mike Hodnett
Mike Hodnett, Chief Manager
Inman Street Properties, LLC.

RICHARD BANKS & ASSOCIATES, PC


By: /s/ Richard L. Banks
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Attorneys for Debtor

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Plan of Reorganization has been served by placing a copy thereof, first class postage prepaid, email or by ECF transmission to the following:

David Holesinger (Via ECF)
Attorney for U. S. Trustee

Kimberly C. Swafford (Via ECF)
Assistant United States Trustee


Mary Miller (Via ECF)
Attorney for United Community Bank

William Brown (Via Regular Mail)
Attorney

Inman Street Properties, LLC (Via Regular Mail)
1050 Inman Street
Cleveland, TN 37311
Debtor

To the Creditors on the Attached Matrix (Via Regular Mail)

This 14 day of September, 2016


/s/ Richard L Banks
Richard L. Banks, BPR 000617

Bradley County Trustee
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