

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

IN RE:

**GREATER HOPE BAPTIST CHURCH, INC.,
Debtor in Possession.**

**CASE NO. 16-30641-DSK
CHAPTER 11**

DISCLOSURE STATEMENT FILED BY GREATER HOPE BAPTIST CHURCH, INC.

COMES NOW Greater Hope Baptist Church, Inc. (“Greater Hope”), as Debtor-in-possession, pursuant to Section 1125 of the Bankruptcy Code, and for their Disclosure Statement would respectfully show the following:

I. INTRODUCTION

The purpose of this Disclosure Statement is to provide parties asserting claims against the Debtor with information regarding the treatment of those claims under the Plan. This Disclosure Statement provides parties whose claims or interests are impaired under the Plan with adequate information to make an informed and prudent judgment when voting on the Plan. The Debtor’s Chapter 11 Petition, Schedules of assets and liabilities and Statement of Financial Affairs were filed November 17, 2016. The Schedules and Statement of Financial Affairs filed by the Debtor, and the Monthly Operating Reports filed by Debtor are incorporated by reference into this Disclosure Statement as if set forth fully herein. For the convenience of the parties, the Debtor-In-Possession has attached copies of Schedules A through G, which list their assets and liabilities in detail, as Exhibit A to this Disclosure Statement. Interested parties are encouraged to review these schedules and reports in connection with their consideration of the Plan.

This Disclosure Statement is not meant to take the place of the Plan. Any inconsistency between the Plan and this Disclosure Statement, the Schedules or Monthly Operating Reports shall be resolved in favor of the Plan. Claimants are encouraged to consult with their own attorneys regarding the Plan and Disclosure Statement.

The terms and definitions set forth in Article 1 of the Plan are also incorporated herein by reference.

This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan, and nothing contained in it shall constitute an admission of any fact or liability by any party, or be admissible in any proceeding involving the Debtor or any other party, except for those proceedings directly concerning the validity, enforceability, or construction of the Plan.

This Disclosure Statement should not be deemed as providing any advice regarding the tax implications or other legal effects of the Plan upon holder of Claims or Interests.

Except as set forth in this Disclosure Statement, the Bankruptcy Court has authorized no representations concerning the Debtor or the value of its assets. In voting on the Plan, you should not rely upon any representations or inducements made to secure acceptance or rejection of the Plan other than those contained in this Disclosure Statement and Plan.

The statements contained in this Disclosure Statement are made as of the date hereof, unless another time is specified herein. Under no circumstances does delivery of this Disclosure Statement imply that there has been no change in the facts set forth herein since the date the Disclosure Statement was compiled.

The information contained herein has been provided by Debtor and is believed to be reliable. Counsel for the Debtor has not performed an audit to verify the accuracy of the information contained herein and does not warrant or guarantee that there are no inaccuracies.

II. VOTING ON AND CONFIRMATION OF THE PLAN

The confirmation of a plan of reorganization or liquidation is the method by which the claims of creditors against a Debtor are satisfied. Whether a plan is confirmed and implemented depends on the acceptance of creditors and approval of the Bankruptcy Court.

Your vote is important. As a general rule under section 1126 of the Bankruptcy Code, an impaired class is deemed to have accepted the Plan if votes representing at least two-thirds (2/3) in dollar amount and more than one half (1/2) in number of the Allowed Claims voting in that Class have accepted the Plan. The Claims of claimants who fail to vote on the Plan are not counted in the determination of whether the Plan has been accepted or rejected. If the Court determines that the rejection or acceptance of any claimant was not in good faith, then the vote will not be counted.

Pursuant to section 1129(a)(10) of the Bankruptcy Code, at least one (1) impaired class of claims must accept the plan. In addition, unless the Plan is unanimously accepted by the impaired claimants, in order to confirm the Plan, the Bankruptcy Court must independently determine that the Plan provides each claimant with a recovery which, as of the Effective Date, is at least equal to the distribution such claimant would have received if the Debtor were instead liquidated under Chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan meets this requirement.

Included with this Disclosure Statement is a ballot for your acceptance or rejection of the Plan. If you hold a Voting Claim and you wish to vote to accept or reject the Plan after reviewing this Disclosure Statement and Plan, please:

1. use only the ballot enclosed with this Disclosure Statement;
2. indicate your vote on the enclosed ballot;
3. date, sign and mail the ballot to the United States Bankruptcy Court, 200 Jefferson Avenue, 4th Floor, Memphis, TN 38103.

The Debtor, as proponent of the Plan, believes that the Plan provides the greatest possible recovery to all claimants. The Debtor believes that acceptance of the Plan is in the best interest of all claimants and recommends voting for the Plan.

III. DEBTOR'S DESCRIPTION AND BUSINESS HISTORY

A. Business History

Since February 5, 1960, Greater Hope has provided ministerial services to the Memphis, Tennessee community.

Church history:

Rev. W. Herbert Brewster, serving as Chairman, Rev. A. E. Campbell, Rev. E. J. Wilson, Rev. V. Moss, and Rev. W. E. Ragsdale met February 5, 1960, at the residence of Mrs. Narciss Allen, 470 Boston Street for the purpose of organizing a mission church.

Rev. A. E. Campbell moved that this mission would be organized. Rev. E. J. Wilson seconded the motion, and it was carried.

Rev. E. J. Wilson installed Rev. L. C. Moore as the 1st Pastor. Rev. L. C. Moore extended the invitation for members. Rev. W. E. Ragsdale moved that each person present

giving his or her name would become members of this mission. Rev. A. E. Campbell seconded the motion, and it was carried. Persons present giving their names were as follows:

Sis. Narciss Allen Mother Alice Black Sis. Anna Clark Bro. Fred Clark
Sis. Lula Gilder Bro. Willie Goodman Sis. Blanch Hoyle Bro. Tommie Hunt
Sis. Lois Dean Hunt Sis. Velma Hunt Sis. Viola Hunt Sis. Annie Jordan
Mother Mary Pate Sis. Dorthy Watkins Sis. Mattie Puckett Bro. Willie Sain
Sis. Cora Smith Sis. Versie Taylor Sis. Mae Francis Tyson Bro. Willis Pate
Sis. Lucille Watkins Bro. Peter Watkins Sis Sally Watkins

It was agreed by all present that the mission be named the East Side Baptist Church. The Baptist covenant was read by Rev. W. Herbert Brewster. Afterwards, Rev. Brewster prayed and then asked the congregation to sing "What a Fellowship". The Following persons were elected to office of various organizations:

Sis. Narciss Allen, Lady Chief, Usher Board Sis. Mary Pate, Mother Board
Sis. Lucille Watkins, Building Fund Sis. Alice Black, Mother Board
Bro. Fred Clark, President Usher Board Bro. Willie Pate, Deacon
Sis. Versie Taylor, Secretary Usher Board, Janitor Bro. Tommie Hunt, Building Fund
Sis. Lula Gilder, Treasurer Building Fund, Church Secretary
Bro. Willie Sain, Treasurer Poor Saints, President Usher Board

Services were held beginning February 28, 1962, in the Masonic Hall, 708 Boston Street. On March 17, 1962, the mission was moved to 2626 Walker. The third Sunday in December, the church's name was changed to Greater Hope Baptist Church. The final payment was made on the church April 29, 1976. Rev. L. C. Moore died February 19, 1984. Rev. Dannie D. Holmes

was elected as the pastor the 4th Sunday in June, 1984. The Greater Hope Baptist Church moved to its new Sanctuary and educational facilities April 5, 1987, located at 2660 Spottswood Avenue, Memphis, Tennessee 38114.

In January, 1996, Greater Hope Baptist Church was Incorporated as a non-profit organization. In August of 1997, Agape Learning Center, Inc was organized and incorporated as a non-profit organization as an interim of Greater Hope Baptist Church and under the laws of Tennessee. This is an outreach ministry and provides counseling to youth and their parents as well as day care and after care for children ages 6weeks to 12 years old.

In March, 1999, a ground breaking ceremony was held for a \$1.2 million Family Life Center. In July, 2000, The Greater Hope Family Life Center was officially opened at 2690 Spottswood. The new building was an expansion of Agape Learning Center as well as a recreational facility.

In December of 2012 The Agape Learning Center closed due to lack of funding.

B. Capital Structure

(See Exhibit attached)

C. Description of Business

Greater Hope is a religious entity that currently offers worship services at its Spottswood location in Memphis, Tennessee.

D. Cause(s) of the Debtor's Financial Difficulties

The financial troubles of the church began in 2012 when Greater Hope had to close its child care program. Then in May, 2014, the church suffered losses from a major fire. After the fire, the church was unable to use the sanctuary, so a sanctuary was set up in the gym. During

this period, the church ordered and paid for pews which they have not received as of this date. Greater Hope's parishioners got weary and begin to find other worship locations. This caused Greater Hopes revenue to decrease. Greater Hope went back into our sanctuary in February, 2015, with the same chairs it had used in the gym. Some of the congregation was not happy and left the church. As a result of the loss of members, Greater Hope suffered a loss in revenue.

The Debtor-In-Possession paid Betty Hobson, dba One Stop for Churches, Sixty-Six Thousand Five Hundred Dollars and no cents (\$ 66,500.00) for pews ordered and never delivered and Evangelical Christian Credit Union also gave her the same amount in error. The amount that Evangelical Christian Credit Union gave her should have been paid to the Debtor-In-Possession, thereby, causing additional financial problems for them.

E. Current and Anticipated Litigation

Greater Hope is currently in litigation with One Stop for Churches for the return of funds for payment of the church pews. One Stop for churches was paid One Hundred Thirty-Nine Thousand Five Hundred Dollars and no cents (\$ 139,500.00) for pews and other items that we never received.

IV. THE CHAPTER 11 PROCEEDINGS

The Debtor filed this Chapter 11 case on November 17, 2016. Since the filing, the Debtor has actively participated in court proceedings and meetings with Debtor's counsel, staff of the United States Trustee, various creditors and their attorneys.

On December 6, 2016, Dannie D. Holmes, President of Greater Hope and Greater Hope's attorney, met with Percy Baker, Jr., at the United States Trustee's office.

On December 12, 2016, Greater Hope's Meeting of Creditors took place at the United States Trustee's Office, conducted by Karen Dennis.

On December 14, 2016, the attorney for Greater Hope filed an Application to employ his services and an Order was entered granting said Application on December 20, 2016.

On December 20, 2016, the Evangelical Christian Credit Union ("ECCU"), by and through counsel, filed a Motion for 2004 Examination of Debtor and for Production of Documents.

On January 26, 2017, the U.S. Trustee filed a Motion to convert this case from a Chapter 11 to a Chapter 7 or, in the alternative, dismiss the case.

On February 1, 2017, ECCU, by and through counsel, filed a Motion to Terminate Automatic Stay and to Abandon Property of the Estate or, in the alternative, for Adequate Protection. On March 29, 2017, the parties entered into a Consent Order Resolving the Motion.

On March 14, 2017, Greater Hope, by and through counsel, filed a Motion for Authorization to Enter into a Premium Finance Agreement. On March 15, 2017, ECCU, by and through counsel, filed an Objection to Greater Hope's Motion.

On March 27, 2017, Protection Unlimited, Inc., by and through counsel, filed a Motion to Reject or Assume Lease.

V. DESCRIPTION OF THE PLAN OF REORGANIZATION

A. Classification of Claims and Interests

i. Secured Creditors

Greater Hope has outstanding secured debt with the following creditors:

1. Evangelical Christian Credit Union, 955 W. Imperial Hwy., Brea, CA 92821. As of the

Petition date, the total amount owed to Evangelical Christian Credit Union is an aggregate amount no less than One Million One Hundred Eighty-Three Thousand One Hundred Sixty-Three Dollars and Seventeen Cents (\$1,183,163.17).

On or about January 28, 2014, the Debtor and Evangelical Christian Credit Union entered into a Business Loan Agreement relating to the extension of credit by Evangelical Christian Credit Union to the Debtor-In-Possession. Likewise, on January 28, 2014, Debtor-In-Possession executed a promissory note in the original principal amount of Six Hundred Twelve Thousand Eighty-Eight and Twenty-Nine Cents (\$ 612,088.29). Additionally, the Debtor-In-Possession executed a second promissory not dated January 28, 2014, in the original amount of Five Hundred Ninety-Two Eight Hundred Forty Dollars and Eighty-Six Cents (\$ 592,840.86).

Notes are secured by a Deed of Trust on the real property located at 2660 Spottswood Avenue, Memphis, Tennessee 38114.

Debtor-In-Possession executed an Assignment of Rents ("Assignment of Rents") in favor of Evangelical Christian Credit Union absolutely assigning to Evangelical Christian Credit Union all rents, leases, and profits generated by the property dated September 24, 2004.

The indebtedness is further secured by all inventory, equipment, accounts, chattel paper, accounts receivable, pledges, instruments and general intangibles along with the real property.

Over the course of the relationship, Evangelical Christian Credit Union modified the terms of loans on Two (2) occasions as evidenced by those loan modification agreements dated June 5, 2014 and May 16, 2016;

2. Regions Bank, c/o Walter N. Winchester, Esq., P. O. Box 2428, Knoxville, TN 37901. As of the date of filing the Petition in this cause, the amount due and owing on the note Sixteen

Thousand Four Hundred Eighty-Four Dollars and Sixty-Nine Cents (\$ 16,484.69).

On August 12, 2008, the Debtor-In-Possession executed and delivered to the bank a promissory note in the original amount of Forty-Eight Thousand Four Hundred Dollars and no cents (\$ 48,400.00).

On August 12, 2008, the Debtor-In-Possession executed and delivered to the bank a deed of trust granting to the bank a security interest in the real property, and improvements thereon, of the Debtor-In-Possession. The collateral is located at 1768 Trezevant Street, Memphis, Tennessee 38114;

3. Shelby County Trustee, P. O Box 2751, Memphis, TN 38101-2751, in the total amount of Three Thousand Four Hundred Eighty-Three Dollars and Sixty-Nine Cents (\$ 3,483.69) for unpaid county property taxes from 2014 to 2016 and secured by house and lots located at 1228 Alcy Road, Memphis, Tennessee 38114, 1960 Southern Avenue, Memphis, Tennessee 38114 and 1768 Trezevant Street, Memphis, Tennessee 38114; and

4. City of Memphis, c/o Shelby County Trustee, 157 Poplar Avenue, 3rd Floor Memphis, TN 38103, in the amount of Fourteen Thousand Eighty Dollars and Seventy Cents (\$ 14,080.70) for unpaid city property taxes from 2011 to 2016 and secured by house and lots located at 1228 Alcy Road, Memphis, Tennessee 38114, 1960 Southern Avenue, Memphis, Tennessee 38114 and 1768 Trezevant Street, Memphis, Tennessee 38114.

ii. Unsecured Priority Creditors

Greater Hope has no outstanding unsecured priority debt.

iii. Unsecured Creditors

Greater Hope has outstanding unsecured debts with the following creditors:

1. Renasant Bank, 5240 Poplar Avenue, Memphis, TN 38119, in the amount of Fifty Thousand Nine Hundred Fifty Dollars and Twenty Cents (\$ 50,950.20) for an unsecured loan;

2. Regions Bank, P.O. Box 10063, Birmingham, AL 35202, in the amount of Four Thousand Four Hundred Sixty-Five Dollars and Eighty-Two Cents (\$ 4,465.82) for an unsecured loan; and

3. Protection Unlimited, Inc., c/o Law Offices of Ben G. Sissman, 44 North Second Street, Ste. 403, Memphis TN 38103, in the amount of Six Thousand Two Hundred Thirteen Dollars and Fifty Cents (\$ 6,213.50), for pre-petition and post-petitioner arrears for a lease for an alarm monitoring system and installation fees.

B. Treatment of Claims and Interests

The Claims of creditors shall be classified as follows:

1. Class 1 shall consist of Administrative Claims entitled to priority by §507(a)(2).

2. Class 2 shall consist of the claim of Evangelical Christian Credit Union, 955 W. Imperial Hwy., Brea, CA 92821, for a mortgage in the amount of One Million One Hundred Eighty-Three Thousand One Hundred Sixty-Three Dollars and Seventeen Cents (\$1,183,163.17), secured by a building and lot located at 2660 Spottswood Avenue, Memphis, Tennessee 38114.

The Class 2 claim of Evangelical Christian Credit Union shall be paid as follows:

Loan Number One, with a balance of Five Hundred Ninety-Seven Thousand Four Hundred Fifty-Seven Dollars and no cents (\$ 597,457.00) shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of Four Thousand Nine Hundred Twenty-One Dollars and no cents (\$ 4,921.00) per month, at an interest rate of 5.625%, which shall be paid over a term of Fifteen (15) years.

Loan Number Two, with a balance of Five Hundred Seventy-Nine Thousand Eight Hundred Forty Dollars and Eighty-Six Cents (\$ 579,840.86) shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of One Hundred Dollars and no cents (\$ 100.00) per month, which shall be paid on the principal only and over a term of Fifteen (15) years.

Evangelical Christian Credit Union shall retain its lien(s).

Debtor-In-Possession shall maintain insurance on the subject property. Debtor-In Possession shall designate Evangelical Christian Credit Union as the “Loss Payee” and Additional Insured” on the Certificate(s) of Insurance and provide a copy of the same to Evangelical Christian Credit Union.

3. Class 3 shall consist of the claim of Regions Bank, c/o Walter N. Winchester, Esq., P. O. Box 2428, Knoxville, TN 37901, in the amount of Sixteen Thousand Four Hundred Eighty-Four Dollars and Sixty-Nine Cents (\$ 16,484.69), secured by a house and lot located at 1768 Trezevant Street, Memphis, Tennessee 38114.

The Class 3 claim of Regions Bank shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of Four Hundred Fifty-Four Dollars and Nineteen Cents (\$ 454.19) per month, which will be paid until such debt is paid in full.

Regions Bank shall retain its lien.

Debtor-In-Possession shall provide proof of insurance and maintain such insurance on the collateral and the Debtor-In-Possession shall make the collateral available for inspection and appraisal.

4. Class 4 shall consist of the claim of Shelby County Trustee, P. O Box 2751, Memphis, TN 38101-2751, in the total amount of Three Thousand Four Hundred Eighty-Three Dollars and Sixty-Nine Cents (\$ 3,483.69) for unpaid county property taxes from 2014 to 2016 and secured by house and lots located at 1228 Alcy Road, Memphis, Tennessee 38114, 1960 Southern Avenue, Memphis, Tennessee 38114 and 1768 Trezevant Street, Memphis, Tennessee 38114.

The Class 4 Claim of Shelby County Trustee shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of One Hundred Dollars and no cents (\$ 100.00) for unpaid taxes and interest owed, which shall be paid until such debt is paid in full.

Shelby County Trustee shall retain its lien(s).

5. Class 5 shall consist of the claim of the City of Memphis, c/o Shelby County Trustee, 157 Poplar Avenue, 3rd Floor Memphis, TN 38103, in the amount of Fourteen Thousand Eighty Dollars and Seventy Cents (\$ 14,080.70), for unpaid city property taxes from 2011 to 2016 and secured by house and lots located at 1228 Alcy Road, Memphis, Tennessee 38114, 1960 Southern Avenue, Memphis, Tennessee 38114 and 1768 Trezevant Street, Memphis, Tennessee 38114.

The Class 5 Claim of the City of Memphis shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of Five Hundred Fifty Dollars and no cents (\$ 500.00) for unpaid taxes and interest owed, which will be paid until such debt is paid in full.

City of Memphis shall retain its lien(s).

6. Class 6 shall consist of the unsecured claim of Renasant Bank, 5240 Poplar Avenue, Memphis, TN 38119, in the amount of Fifty Thousand Nine Hundred Fifty Dollars and Twenty Cents (\$ 50,950.20) for an unsecured loan.

The Class 6 Claim of Renasant Bank shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of One Thousand Dollars and no cents (\$ 1,000.00), which shall be paid until such debt is paid in full.

7. Class 7 shall consist of the unsecured claim of Regions Bank, P.O. Box 10063, Birmingham, AL 35202, in the amount of Four Thousand Four Hundred Sixty-Five Dollars and Eighty-Two Cents (\$ 4,465.82) for an unsecured loan.

The Class 7 Claim of Regions Bank shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of One Hundred Fifty Dollars and no cents (\$ 100.00), which shall be paid until such debt is paid in full.

8. Class 8 shall consist of the unsecured claim of Protection Unlimited, Inc., c/o Law Offices of Ben G. Sissman, 44 North Second Street, Ste. 403, Memphis TN 38103, in the amount of Six Thousand Two Hundred Thirteen Dollars and Fifty Cents (\$ 6,213.50), for pre-petition and post-petitioner arrears for a lease for an alarm monitoring system and installation fees.

The Class 8 Claim of Protection Unlimited, Inc. shall be paid in equal monthly installments, starting not more than 45 days after the Effective Date of the Plan, in the amount of One Hundred Dollars and no cents (\$ 100.00), which shall be paid until such arrears are paid in full.

9. All fees of the United States Trustee payable under 28 U.S.C. § 1930, as determined by the court will be paid on the Effective Date of this plan.

10. The Debtor, as the proponent of the Plan, hereby requests pursuant to § 1129(b) of the Code that the Court find that the provisions of the Plan provide for fair and equitable treatment of those creditors whose Claims are impaired by the Plan and who may elect not to accept the Plan, and that the Court confirm the Plan notwithstanding the requirements of §1129 (a)(8) of the Code as to such creditors.

C. Officers and Directors

The Officers and Directors are as follows: Dannie D. Holmes (President), Donna Ross (Chairperson), Chester Green (Trustee), Daniel Holmes (Trustee), Joyce Keys (Secretary), Murray Ross (Trustee) and Josephine Holmes (Trustee).

D. Transactions with Insiders

Greater Hope has no transactions with insiders.

E. Feasibility; Means of Funding the Plan

The plan of Greater Hope to correct its financial problems is to refinance its mortgage loan in order to pay a smaller monthly payment. Greater Hope plans to make use of its family life center to generate funds by having church plays, summer youth camps, and other activities. Greater Hope also plans to renew their website and advertising.

Greater Hope will redouble its efforts to increase stewardship. They will be teaching, preaching, and asking for the congregation to focus on evangelism and ministry growth. The increase and the edification of the ministry will purposely be a main concern for the church's growth and health. Greater Hope intends to greatly expand its membership.

Greater Hope has, and will continue to identify and make the necessary cuts in operational costs.

Greater Hope has attached a budget for three years, calendar 2017, 2018 and 2019, respectively. Greater Hope's leadership is committed to working as diligently as possible to execute the budgets presented with this document. (See Attachments)

F. Alternatives to the Plan; Comparison with Liquidation

The following is a pro forma analysis of the expected distribution pursuant to the Plan of Liquidation. The value assigned to the property and amount of secured and unsecured claims are reflected in the Schedules filed by Debtor. The values assigned to specific properties are estimates of the debtor and based on their information, knowledge and belief. Formal appraisals have not been obtained. This analysis is subject to change based on the actual price obtained for Debtor's property and costs of sale, the outcome of the claims allowance process, and applications for administrative claims. Listed below are the Debtor's assets as shown in their Schedules, with discounts shown where Debtor believes appropriate.

	<u>Value Per Petition</u>	<u>Liquidation Value</u>
Real Property	\$ 820,200	\$ 820,200
Personal Property	<u>245,500</u>	<u>122,250</u>
Gross Value	<u>\$ 1,065,700</u>	\$ 942,950
Estimated costs of sale (15%)		(141,443)
Payment of secured claims		<u>(801,507)</u>
Net Liquidation Value		\$ - 0 -
Funds Remaining for Distribution:		\$ - 0 -

Secured Claims (Remaining Claim Amount: \$ 415,705.25)	\$	- 0 -
Priority Unsecured Claims (Remaining Claim Amount: \$ 0.00)	\$	- 0 -
General Unsecured Claims (Remaining Claim Amount: \$ 61,314.52)	\$	- 0 -

G. Executory Contracts and Unexpired Leases

Rejection. Upon entry of the Confirmation Order, the Debtor shall be deemed to have rejected all unexpired leases and executory contracts in which it is a lessee entered into prior to the Petition Date unless specifically assumed in this Plan or pursuant to Bankruptcy Court Order.

Rejection of Claims. All Claims arising from rejection of unexpired leases or other executory contracts shall be filed not later than thirty (30) days after the entry of the Confirmation Order. All such Claims, to the extent allowed, shall be treated as Class 9 Claims.

Debtor as Lessor. Upon entry of the Confirmation Order, all unexpired leases and executory contracts in which the Debtor is the Lessor shall be deemed to be assumed.

VI. CONFIRMATION PROCESS

Notwithstanding acceptance of the Plan by Classes of Claimants, in order to confirm the Plan the Bankruptcy Court must independently determine that the Plan is in the best interest of all claimants. The “best interest” test requires that the Court find that the Plan provides each member of each impaired Class with a recovery that is at least equal to the value of the distribution each Claimant would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date. The Debtor believes that the Plan satisfies this test.

The Debtor believes that the Plan is in the best interest of the Claimants. In a Chapter 7 proceeding, a Chapter 7 trustee would be appointed to liquidate the Debtor’s assets. There is no

guarantee that the trustee would be able to sell the debtor's assets for the full value listed in the schedules. The Chapter 7 trustee would be entitled to receive a commission equal to Twenty-Five Percent (25%) of the first Five Thousand Dollars (\$5,000) disbursed, Ten Percent (10%) of the next Forty-Five Thousand Dollars (\$45,000) disbursed, Five Percent (5%) of the next Nine Hundred Fifty Thousand Dollars (\$950,000) and Three Percent 3% of the balance. Further, a Chapter 7 trustee would retain professionals, including attorneys and accountants, in order to resolve objections to claims and other disputes. Both the Chapter 7 trustee and professionals retained by the Chapter 7 trustee would require time to familiarize themselves with this case and would accrue fees treated as administrative expenses. The Debtor believes that such a process would result in substantial duplication of effort and expenses incurred during this Chapter 11 case, as well as delay to the Claimants. Thus, the appointment of a Chapter 7 trustee would increase the administrative expenses in this case and diminish the funds available for distribution.

The Debtor believes that the Plan provides the greatest possible recovery to the Claimants. Therefore, the Debtor believes that acceptance of the Plan is in the best interest of the Claimants and recommends that you vote to accept the Plan.

Dated: June 24, 2017

Respectfully submitted,
/s/ Dannie D. Holmes
PRESIDENT of Greater Hope

/s/ Michel Don Harrell
Attorney for Greater Hope
1884 Southern Avenue
Memphis, TN 38114
901-274-5462

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and exact copy of the foregoing has been electronically served or mailed, on the 24th day of June, 2017, postage paid to:

/s/ Michael Don Harrell

cc: All Creditors