

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

IN RE:

C&R EVENTS ENTERPRISE LLC,

Debtor.

Case No. 17-23363-DSK
Chapter 11

DISCLOSURE STATEMENT

COMES NOW C&R Events Enterprise LLC., as debtor-in-possession, pursuant to Section 1125 of the Bankruptcy Code, and for its 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 Schedules and Statement of Financial Affairs filed or to be filed by the Debtor, and the Monthly Operating Reports to be filed by Debtor are incorporated by reference into this Disclosure Statement as if set forth fully herein. 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.

Holders of unimpaired claims accept the plan as a matter of law.

If any classes are impaired (no classes are impaired by the Debtor's proposed Plan), section 1129(a)(10) of the Bankruptcy Code requires that 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.

There will be no ballots for the Plan because the Plan does not impair the rights of any creditor.

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.

III. HISTORY OF DEBTOR AND EVENTS LEADING TO FILING

C&R Events Enterprise LLC ("C&R", or "Debtor") was formed to purchase the real estate at 2688 Poplar Avenue in Memphis as a night club and entertainment venue. However, the club could not open as scheduled. Furthermore, the Debtor became delinquent on its note payments to its main secured creditor, Mascom Properties, L.L.C. ("Mascom"), who holds a

claim secured by the lien of a deed of trust on the real property and a security interest in its personal property. Mascom demanded payment in full of its note and when C&R could not meet the demand began advertising a foreclosure sale pursuant to the power of sale provision of the deed of trust. This Chapter 11 case was filed in order to preserve the Debtor's property and cure any defaults in its obligations.

IV. THE CHAPTER 11 PROCEEDINGS

This Chapter 11 case was filed on April 13, 2017. C&R has continued business operations as debtor-in-possession. A trustee has not been appointed. The Debtor has filed all required Monthly Operating Reports.

V. SUMMARY OF POST-PETITION OPERATIONS

The Debtor had not opened for business before filing this case. On April 25, 2017, Debtor had a "soft opening" and then commenced operations on May 6. Debtor plans to have its business open on Saturday nights until demand becomes sufficient to open Friday nights as well. Debtor intends to continue normal operations during the Chapter 11 case.

VI. OTHER LITIGATION

The only litigation presently involving Debtor is pending in the Shelby County Environmental Court, Division 14 of the General Sessions Court of Shelby County, arising out of Debtor's Special Use Permit to operate the Senses nightclub.

VII. THE PLAN OF REORGANIZATION

A. Future Operations of Debtor

The Plan provides that the Debtor continue operating under existing management.

B. Means for Payment of Claims

The Plan provides that Claims will be paid with the proceeds of loans from N&F Granite and Fine Flooring LLC, a company owned by Debtor's principal, Francisco Dasilva.

C. Payment of Claims

The Plan provides for the following regarding payment of claims:

7.1 Class 1 Administrative Claims.

Allowed Class 1 claims shall be paid in cash on the Effective Date of the Plan. Included in this class are the attorney fees incurred by the Debtor. Additionally, any United States Trustee Quarterly Fees due and owing or assessable prior to confirmation shall be paid in full on the Effective Date of the Plan and any post-confirmation United States Trustee Fees shall be paid pursuant to 28 U.S.C. Section 1930(a)(6). Any administrative claims representing a liability incurred in the ordinary course of business, including, but not limited to, loans by N & F Granite and Fine Flooring LLC, of the Debtor may be paid in cash in the ordinary course of business. Class 1 is deemed to be unimpaired.

7.2 Class 2 Priority Claims.

Any Class 2 Claims shall be paid in full on the Effective Date of the Plan.

7.3 Class 3 Unimpaired Secured Claim of Mascom Properties, LLC.

The Class 3 Claim of Mascom Properties shall be paid as follows:

(a) On the Effective Date, Debtor shall cure any monetary default that occurred before the commencement of this Chapter 11 case under this title, at which time the maturity of the Note shall be reinstated as such maturity existed before such default.

(b) On the effective Date, Debtor shall compensate the holder of the Class 3 claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law.

7.4 Class 4 Unimpaired Secured Claim of Pawnee Leasing Corporation.

The Class 4 Claim of Pawnee Leasing Corporation, if deemed a lease, shall be assumed and paid according to its terms; if deemed a secured claim, Debtor shall pay any arrearages and the maturity of such obligation shall remain as such maturity existed before such the filing of this case.

7.5 Class 5 Equity Interests.

The existing Class 14 equity interest in the Debtor shall be retained.

VIII. LIQUIDATION ANALYSIS

Debtor asserts that the value of its improved real property and personal property substantially exceeds its total liabilities, so that in liquidation all claims would be fully satisfied.

IX. CONFIRMATION PROCESS

As no class is impaired by the Plan and therefore has accepted this Plan as a matter of law, Debtor intends to submit it to the Court for confirmation pursuant to 11 U.S.C. §1125(a).

Respectfully submitted,

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/s/ Henry C. Shelton, III
Henry C. Shelton, III

CERTIFICATE OF SERVICE

I do hereby certify that a true and accurate copy of the foregoing pleading was served on Steven Douglass, attorney for Mascom Properties, LLC, and upon Karen Dennis, Attorney for U.S. Trustee, 200 Jefferson Avenue, Suite 400, Memphis, TN 38103, via electronic notice or U.S. Regular Mail, postage prepaid, this 7th day of June, 2017.

/s/ Henry C. Shelton, III
Henry C. Shelton, III