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IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH	
In re: COMMUNITY TRANSLATOR NETWORK LLC Debtor	Bankruptcy Case No 15-31245 Chapter 11 The Honorable William T. Thurman
COMMUNITY TRANSLATOR NETWORK, LLC'S DISCLOSURE STATEMENT, DATED 2 JANUARY 2017	

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I. INTRODUCTION

This is the disclosure statement (the “Disclosure Statement”) in the small business chapter 11 case of Community Translator Network, LLC (the “Debtor”). This Disclosure Statement contains information about the Debtor and describes the Fourth Amended Plan (the “Plan”) filed by the Debtor on 2 January 2017. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. ***Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

The proposed distributions under the Plan are discussed at pages 6-9 of this Disclosure Statement.

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why the Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. *Time and Place of the Hearing to Confirm the Plan*

The hearing at which the Court will determine whether to confirm the Plan will take place on [insert date], at [insert time], in Courtroom [insert room], at the United States Bankruptcy Court for the District of Utah, 350 S. Main St., Salt Lake City, UT 84101.

2. *Deadline For Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to Knute Rife, Rife Law Office, PO Box 2941, Salt Lake City, UT 84110. See section IV.A below for a discussion of voting eligibility requirements.

Your ballot must be received by [insert date] or it will not be counted.

3. *Deadline For Objecting to the Confirmation of the Plan*

Objections to the confirmation of the Plan must be filed with the Court and served upon the Debtor, the Debtor's attorney, and the US Trustee at 405 S. Main St., Ste. 300, Salt Lake City, UT 84111, by [insert date].

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact Knute Rife, Rife Law Office, PO Box 2941, Salt Lake City, UT 84110.

C. Disclaimer

[The Court has approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms.] The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is a limited liability company registered in Utah on January 26, 2006. The Debtor's principal source of revenue and profits is from the purchase, development, and sale of FM Broadcast Translator Stations authorized by the Federal Communications Commission ("FCC"), or the permits and licenses to construct or operate FM translator stations. The Debtor may operate translator stations that it develops or owns for a period of time, but it does not generate significant revenue or profit from operating FM translator stations.

B. Insiders of the Debtor

Exhibit C sets out details of the directors and officers, who are the only known insiders.

C. Management of the Debtor Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, Debtor was owned by Community Education Foundation, Inc., a nonprofit organization, which is the

sole member of Debtor LLC. The Trustees of Community Education Foundation are: Lavon Randall, Lorna A. Skinner, John Christian Barlow, Ryan M. Skinner, and Jeffrey B. Bate. Community Education Foundation, Inc., is the manager of the Debtor, and John Christian Barlow has typically exercised management authority on its behalf. This arrangement has not changed during the bankruptcy and is not expected to change post-confirmation.

D. Events Leading to Chapter 11 Filing

Debtor and Powell Meredith Communication Commission (“PMCC”) entered into a contract (“CTN/PMCC Agreement”) on or about October 2013 for the assignment of Eight FM Translators when granted as Construction Permits (“CP’s”) by the FCC.

On January 8, 2014, after the required engineering work was performed by Debtor, five FM translator applications were granted CP status and transferred to Debtor (Cheyenne, WY, Logan, UT, Needles, CA, Roseburg, OR and Ruidoso, NM). Three FM translator construction permit applications required additional engineering work before they could be granted CP status and transferred to Debtor (Gulfport, MS, South Padre Island, TX and Wickenburg, AZ).

After Debtor performed the engineering work, PMCC submitted multiple filings with the FCC in an attempt to undo the granted assignments of the CP’s to CTN. On April 15, PMCC submitted a Petition to Deny the January 16, 2014 assignments to CTN; on April 21, 2014, PMCC submitted a Petition for Reconsideration; on December 9, 2014, PMCC submitted a Supplement to their Petition for Reconsideration; On December 23, 2014, PMCC submitted a Petition for Reconsideration and Request for a Full Commission Review; On January 6, 2015 PMCC submitted an untitled document in which they continue to press their point; and on March 7, 2016, in violation of the Automatic Stay, PMCC submitted to the FCC a request to ignore CTN’s bankruptcy filing.

During this time, on December 15, 2014, the FCC Denied PMCC’s Petition for Reconsideration, on January 29, 2016, the FCC granted the three construction permit applications CP status that had been held up pending engineering amendments and submission of Minor Modification Applications, and on March 30, 2016, the FCC affirmed their dismissal of PMCC’s Petition to Deny and Petition for Reconsideration.

Debtor has accumulated significant debt for the contract work required for engineering, legal, marketing work, and FCC fees, but is unable to sell the FM CP’s to third-party Buyers due to PMCC petitions to deny and that PMCC has refused the transfer the three recently granted CP’s to the Debtor.

As of yet three CP’s have not been granted to CTN in accordance with the CTN/PMCC Agreement. The FCC was preparing to dismiss these three due to the delays set out above, which would have resulted in a complete loss on those three CP’s for Debtor and all creditors, including PMCC. The Debtor was therefore compelled to file this case to block the FCC’s dismissal and preserve these assets.

E. Significant Events During the Bankruptcy Case

- There have been no asset sales outside the ordinary course of business, debtor in possession financing, or cash collateral orders.
- Anna Drake and Miller Toone, PC, were approved as counsel for the Debtor. The court approved their fees in the amount of \$17,460. Knute Rife and Rife Law Office have since substituted in as counsel for Debtor.
- There is an adversary proceeding pending that the Debtor filed against Powell Meredith Communications (“PMCC”). PMCC has filed a counterclaim. At issue is the performance of the CTN/PMCC Agreement discussed above. PMCC’s motion for an injunction was denied, discovery is proceeding, and the Debtor anticipates attempting mediation. This adversary proceeding is closely tied to the following claim objection.

The Debtor objected to Claim No. 8 filed by Amy Meredith. The court overruled the objection, concluding that Ms. Meredith and PMCC are effectively the same creditor for present purposes. The court reserved the issue of the amount of the claim for future proceedings.

- Debtor has worked to resolve the PMCC disputes, which would resolve outstanding liabilities and provide revenue.
- Savage, Esplin, & Radmall CPA, was employed by Community Education Foundation, Inc., to perform the tax compliance for Debtor at the expense of Community Education Foundation, Inc, and they will not seek compensation from the debtor or the estate.

F. Projected Recovery of Avoidable Transfers

The Debtor is unaware of any avoidable transfers and so does not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

G. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

H. Current and Historical Financial Conditions

The Debtor’s asset list and financial status are set out in Exhibit C. The latest Monthly Operating Report is attached as Exhibit E.

III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

Nonpriority unsecured claims will be paid in full from the proceeds generated from the reorganized Debtor’s operation of its business. In the event there are insufficient funds to satisfy

these claims in full, these creditors will share pro rata in any proceeds available after satisfaction of any allowed administrative claims. The equity security holders of the Debtor will retain its respective equity interest in the reorganized Debtor.

The Debtor anticipates being able to fund the plan payments within thirty days after receiving proceeds from the sale of licenses or construction permits.

A. What is the Purpose of the Plan of Reorganization?

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor’s chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor’s estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$0	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of	\$0	Paid in full on the effective date of the Plan, or according to terms of obligation if

Business Within 20 Days Before the Petition Date		later
Professional Fees, as approved by the Court.	Engineer: \$1300 Sales: \$3000 Attorney: \$10,000	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$0	Paid in full on the effective date of the Plan
Other administrative expenses	\$0	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	\$325	Paid in full on the effective date of the Plan
TOTAL	\$14,625	

2. Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

There are no priority tax claims in this case.

C. Classes of Claims and Equity Interests

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. *Classes of Secured Claims*

The Debtor has no secured creditors.

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

There are no priority unsecured claims in this case.

3. *Classes of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan’s proposed treatment of Class 1, which contains general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
N/A	1122(b) Convenience Class	N/A	There will be no convenience class in this plan.
1	General, Unsecured Claims	Impaired	This class will be paid the full, liquidated amounts established by the Court 45 days after the last PMCC construction permit is sold or 45 days after the Court liquidates all claims, whichever is later.

4. *Class of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a limited liability company (“LLC”), the equity interest holders are the members.

The following chart sets forth the Plan’s proposed treatment of the class of equity interest holders:

Class #	Description	Impairment	Treatment
2	Equity interest holders	Impaired	This class will be paid only after Class 1 has been paid.

D. Means of Implementing the Plan

1. Source of Payments

Projected funding for the Plan is set out in Exhibit C.

2. Post-confirmation Management

Post-confirmation management will remain as set out in Exhibit C.

E. Risk Factors

There are inherent risks in any business operation. It is impossible to estimate with absolute certainty the amount of clients that will purchase the Debtor's facilities. The Debtor, however, has a good reputation in the Broadcast industry and believes that it will continue to operate and continue to grow and pay its creditors more than would be realized by a Chapter 7 trustee or closing of the business.

There are two, significant risk factors facing the planned execution of the Plan. First, the FCC may revoke or dismiss applications, licenses, and/or construction permits before the Debtor can sell them. Any such action would of necessity reduce the Debtor's income projections and require additional time for performance of the Plan. While such actions by the FCC are possible, the Debtor considers them unlikely once the Plan is approved. Second, the Debtor's dispute with PMCC has not yet been resolved, and so any amount owed to PMCC has not been liquidated. A larger liquidated amount would likewise reduce the Debtor's income projections and require additional time for performance of the Plan. The Debtor believes this dispute can ultimately be resolved in a manner that will not interfere with performance of the Plan.

F. Executory Contracts and Unexpired Leases

The Plan, in part 6.01, lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not referenced in part 6.01 will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

G. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.

As to the Debtor and the reorganized Debtor, because these entities are limited liability companies, they will have the normal tax consequences for any pass through entity. As such, the reorganized Debtor will need to comply with all tax reporting requirements and otherwise comply with the applicable provisions of the Internal Revenue Code and the Utah State Tax Code. The treatment of claims and interests under the Plan may also have tax implications to the holders of such claims and interests. For instance, there may be tax implications for the recapture of bad debts or implications regarding the timing of reportable income for entities that report income on a cash basis. Because each of the holders of claims and interests have such varied circumstances, it is impossible for the Debtor and the reorganized Debtor to provide legal or accounting advice regarding the applicability of the tax laws on an individualized basis.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Debtor believes that classes 1 and 2 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest.

When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was April 12, 2016.

2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is Not Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan.

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

As there are no secured claims, no creditors are in multiple classes.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in Section B.2.

1. Votes Necessary for a Class to Accept the Plan

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. Treatment of Nonaccepting Classes

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not “discriminate unfairly,” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a “cramdown” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

C. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit D.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Statements of financial condition are included in Exhibit C.

2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Debtor has provided projected financial information. Those projections are listed in Exhibit C.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. Modification of Plan

The Debtor may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan. The Debtor may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Debtor, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

VI. OTHER PLAN PROVISIONS

Upon confirmation, the Plan constitutes recognition by all parties of the Assignment Agreement between the Debtor and PMCC dated October 22, 2013 (CTN/ PMCC Agreement) regardless of whether all claims have been liquidated. Confirmation further constitutes assignment to the Debtor by PMCC of the Construction Permits for Gulfport, MS, Facility No. 142760, South Padre Island, TX, Facility No. 142717, and Wickenburg, AZ, Facility No. 143311, withdrawal by PMCC of its petitions to the Federal Communication Commission to deny the assignments, the obligation of PMCC to execute all documents necessary to execute the foregoing, and notice to the Federal Communication Commission of the foregoing.

//s// John Christian Barlow

John Christian Barlow, for Debtor

//s// Knute Rife

Knute Rife, Attorney for Debtor

EXHIBITS

Exhibit A: Copy of Proposed Plan

Exhibit B: List of claims and proposed treatment

Exhibit C: Prospectus, including asset list, balance sheet, and financial projections

Exhibit D: Liquidation Analysis

Exhibit E: November 2016 Monthly Operating Report