

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Ronald H. Sargis
Bankruptcy Judge
Modesto, California

March 27, 2014 at 2:00 p.m.

1.	<u>11-94410-E-11</u> SAWTANTRA/ARUNA CHOPRA Evan D. Smiley SPECIALLY SET	CONTINUED STATUS CONFERENCE RE: VOLUNTARY PETITION 12-30-11 [<u>1</u>]
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Debtors' Atty: Robert S. Marticello

Notes:

Continued from 1/16/14 to be heard in conjunction with other matters on calendar.

Operating Report filed: 2/12/14

[HSM-17] Order granting motion to compromise Loanvest XI, LP filed 1/19/14 [Dckt 790]

[HSM-18] Order granting stipulation to extend deadline for the Trustee to file objections to Debtors' amended claims of exemption to 4/10/14 filed 2/18/14 [Dckt 805]

[HSM-19] Order granting approval for the Trustee to employ PMZ Real Estate for the marketing of the property commonly known as 1907 East F Street, Oakdale, California [Dckt 824]

[HSM-20] Order granting approval for the Trustee to employ PMZ Real Estate for the marketing of the property commonly known as 1317 Oakdale Road, Modesto, California [Dckt 825]

March 27, 2014 at 2:00 p.m.

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2. [11-94410](#)-E-11 SAWTANTRA/ARUNA CHOPRA
MG-3 Evan D. Smiley
LUCILLE ARTERBURN, ET AL.
VS.

CONTINUED MOTION FOR RELIEF
FROM AUTOMATIC STAY AND/OR
MOTION FOR ADEQUATE PROTECTION
12-4-13 [[684](#)]

SPECIALLY SET

Local Rule 9014-1(f)(2) Motion.

Correct Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Debtors, Debtors' Attorney, Chapter 11 Trustee, creditors holding the 20 largest unsecured claims, parties requesting special notice, and Office of the United States Trustee on December 3, 2013. By the court's calculation, 16 days' notice was provided. 14 days' notice is required.

No Tentative Ruling: The Motion for Relief from the Automatic Stay was properly set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(2). Consequently, the Debtor, Creditors, the Trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offers opposition to the motion, the court will set a briefing schedule and a final hearing unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion.

MARCH 27, 2014 HEARING

On March 18, 2014, the court approved the Trustee's request for authorization to employ PMZ Real Estate for the marketing of the properties commonly known as 1907 East F Street, Oakdale, California and 1317 Oakdale Road, Modesto, California. Orders to Employ, Dckts. 824, 825.

MARCH 6, 2014 HEARING

The parties agreed to continue the hearing to March 27, 2014.

JANUARY 16, 2014, HEARING

It is not clear whether the December 10, 2013 taxes have been paid. The Debtors argue in their opposition that they are attempting to make arrangements to pay the taxes but that the taxes will be paid at the sale closing from the net proceeds of the \$9,000,000.00 due at that time.

DECEMBER 19, 2013 HEARING

Lucille E. Arterburn, Trustee of Trust A established under the Jessie O. and Lucille E. Arterburn Trust dated March 7, 1984; Sylvan J. Farrell, Trustee of the Trust A established under the Sylvan J. Farrell & Marie E. Farrell Family Trust dated September 6, 1984; David J. Arterburn

and Edith A. Arterburn (Watters), Trustees of Arterburn & Watters, LLP Profit Sharing Plan & Trust; John A & C Jeanie Miller, Trustee of the Miller Family Trust dated November 1, 2000; Thomas A. Miller and Judith A. Miller, husband and wife; Pensco Trust Company Custodian FBO James Wilson IRA Pensco Account #W1240; Pensco Trust Company Custodian FBO Frederick J. Dotzler IRA Pensco Account #70002038; Michael LaPlante and Elizabeth LaPlante, Trustees of the LaPlante Family Trust; Larry Cleveland, Trustee of the Larry Cleveland 401(k) Profit Sharing Plan; Gregory and Amanda Smith Family Trust dated 19 March 2007; Ted Smith and Joyce Smith, Trustees of the Ted and Joyce Smith Trust; John A. Miller Retirement Account; Vida B. Harris, Trustee of the Vida B. Harris Revocable Living Trust dated April 1, 1992; George H. Lehman, Trustee of the George H. Lehman Family Trust (collectively, "Movants") seek relief from the automatic stay with respect to the real property commonly known as 4754 Dale Road, Modesto, California, providing adequate protection to Movants by requiring payment of real property taxes, and waiving the 14-day stay.

On or about December 3, 2009, Mid Valley Services Inc. ("Mid Valley") funded a \$550,000 loan to Aruna Chopra secured by a deed of trust on the Dale Road Property. Based on representations of Mrs. Chopra, the deed of trust securing the \$550,000 loan was to be in first priority on Lot C. A year later on or about December 17, 2010, Mid Valley funded two additional loans to Mrs. Chopra secured by deeds of trust on the Dale Road Property Lot B. The first of the two loans was in the amount of \$1,250,000 and the second was in the amount of \$700,000. Based on representations of Mrs. Chopra, the deed of trust securing the \$1,250,000 loan was to be in first priority and the deed of trust securing the \$700,000 loan was to be in second priority on Lot B.

Currently, there is a priority lien dispute based on Mrs. Chopra's alleged fraud.

Movant state the delinquent real property taxes on the Dale Road Property have been paid; however, Movant states the first installment of real property taxes for 2013-2014 is due on December 10, 2013 and the second installment will be due on April 10, 2014. The real property taxes are a lien senior to the consensual liens of the Bledsoe Fischer Plaintiffs and the Mid Valley Assignees. Movant argues that as adequate protection, the Court should require the current real property taxes to be paid.

DEBTOR'S OPPOSITION

Debtors oppose the motion stating they are selling the Dale Road Property as part of their plan of reorganization. Debtors argue a foreclosure sale of one-half of the Dale Road project would destroy the value that could be realized for all parties involved. Debtors state that even if the stay relief motions are granted, the Mid Valley Assignees and the Bledsoe/Fisher Plaintiffs cannot collect on their respective asserted claims until after the lien priority dispute among the parties is resolved.

Debtors argue that they are attempting to make arrangements for the payment of the real property taxes for the Dale Road Property from a non-estate source. If they are unable to do so, Debtors state the accrued and unpaid real property taxes will be paid at the sale closing from the net

3. 11-94410-E-11 SAWTANTRA/ARUNA CHOPRA
SSA-4 Evan D. Smiley
JOANN BLEDSOE, ET AL. VS.

SPECIALLY SET

Correct Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Debtors, Debtors' Attorney, Chapter 11 Trustee, creditors holding the 20 largest unsecured claims, all creditors, parties requesting special notice, and Office of the United States Trustee on September 26, 2013. By the court's calculation, 35 days' notice was provided. 28 days' notice is required.

MARCH 27, 2014 HEARING

MARCH 6, 2014 HEARING

PRIOR HEARINGS

March 27, 2014 at 2:00 p.m.
- Page 4 of 27 -

Fischer, as Trustee of the Amy C. Fischer Revocable Trust UDT dated November 14, 2005; and Robert Daniel Fischer (collectively "Bledsoe-Fischer Creditors" or "Movants") seek relief from the automatic stay with respect to the real property commonly known as 4754 Dale Road, Modesto, California. The moving party has provided the Declaration of Joann Irene Bledsoe to introduce evidence to authenticate the documents upon which it bases the claim and the obligation owed by the Debtor.

Movants contend that the property has no equity, as the market value is \$2,490,000.00 and are owed \$8,395,557.47 in principal and interest. In addition, the Mid-Valley Creditors assert a lien on the real property in the amount of \$2,691,949.04. Additionally, Movant states there is accrued property taxes on the property owed in the amount of \$99,256.16. Movants also argue that the property is not necessary for an effective reorganization.

In the alternative, Movant argues that causes exists for terminating the stay where the debtors have not made post-petition payments. Movants state Debtors have failed to make any payments on the note, either pre- or post-petition.

TRUSTEE'S OPPOSITION

Chapter 11 Trustee opposes the Motion for Relief because the subject parcels are necessary to an effective reorganization in prospect, which the Trustee believes to have a reasonable likelihood of confirmation within a reasonable time period. Trustee states the plan of reorganization is built around the Dale Road Project, of which the subject parcels are a part. Trustee is also informed that the Debtors have obtained a fully executed purchase and sale agreement, pursuant to which the Dale Road Property will be sold for approximately \$17,000,000.00.

Trustee also states that the Debtors recently arranged for payment of \$99,256.16 in property taxes assessed against the subject parcels, which demonstrates their seriousness in attempting to confirm a plan or reorganization around this property.

The Trustee contends that the subject parcels are necessary to an effective plan of reorganization and believes the Debtors should be given a reasonable amount of time to attempt to confirm their plan or reorganization and that the motion should be denied or continued with the confirmation hearing.

DEBTOR'S OPPOSITION

Debtors oppose the motion on the basis that the Dale Road properties are necessary to an effective reorganization. The Debtors have negotiated an agreement for the sale of the properties for \$17,000,000.00, which will be consummated through confirmation of a chapter 11 plan. Debtors state the granting of this motion will destroy the proposed sale and eviscerate the value for the other creditors of this estate. The Debtor states the amended plan will pay creditors 100% of their allowed claims from the proceeds of the sale.

Debtors state the Bledsoe-Fischer Creditors have failed to show they are entitled to adequate protection because they are undersecured creditors and have not shown that their collateral is depreciating post-petition.

Debtors also state that the \$99,256.16 in accrued real property taxes related to the property have been paid. Debtors state that Movant has not provided any evidence that their collateral is declining in value post-petition.

Debtors request that the motion be denied so they can proceed with their proposed 100% plan.

MOVANT'S REPLY

Movant concedes that the Dale Road property is necessary to an effective reorganization. Movant states that it remains to be seen whether the prospective buyer will actually perform and pay the estate \$17 million. Movant states the Agreement for Purchase and Sale of Real Property is contingent upon several conditions, including confirmation of a Chapter 11 plan, list pendens removal, recordation of a parcel map, and Trustee approval.

Movant also concedes that Debtors have filed a multitude of documents, including a Amended Disclosure Statement and First Amended Plan, but the actual efficacy of the documents filed is still a critical issue.

Lastly, the Movant states that it is unwilling to remove the Lis Pendens, which impedes the Debtor's reorganization.

Movant requests that its motions be granted, but that if the court deny its motions, then continue them rather to be hearing with plan confirmation.

DISCUSSION

The court maintains the right to grant relief from stay for cause when the debtor has not been diligent in carrying out his or her duties in the bankruptcy case, has not made required payments, or is using bankruptcy as a means to delay payment or foreclosure. *In re Harlan*, 783 F.2d 839 (B.A.P. 9th Cir. 1986); *In re Ellis*, 60 B.R. 432 (B.A.P. 9th Cir. 1985); 11 U.S.C. § 362(d)(1).

Once a movant under 11 U.S.C. § 362(d)(2) establishes that a debtor has no equity, it is the burden of the debtor to establish that the collateral at issue is necessary to an effective reorganization. *United Savings Ass'n of Texas v. Timbers of Inwood Forest Associates. Ltd.*, 484 U.S. 365, 375-76 (1988); 11 U.S.C. § 362(g)(2).

The party seeking stay relief has the burden of demonstrating the lack of equity; the party opposing stay relief bears the burden of proof on all other issues. 11 U.S.C. § 362(g); see also, *In re Bonner Mall Partnership*, 2 F.3d 899, 902 (9th Cir. 1993).

The parties appear to agree that there is no equity in the subject

real property parcels. While Movant, in its reply, concedes that the property appears to be necessary for an effective reorganization, the true concern lies in the confirmation of the Chapter 11 plan of reorganization and the related sale.

It appears equitable to continue the hearing on the Motion for Relief from Stay to the Amended Disclosure Statement hearing date to follow confirmation.

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Motion for Relief From the Automatic Stay filed by the creditor having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Motion is xxxx.

4.	<u>11-94410</u> -E-11 SAWTANTRA/ARUNA CHOPRA SSA-5 Evan D. Smiley	CONTINUED MOTION TO COMPEL ABANDONMENT 9-26-13 [606]
SPECIALLY SET		

Local Rule 9014-1(f) (1) Motion - No Opposition Filed.

Correct Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Debtors, Debtors' Attorney, Chapter 11 Trustee, all creditors, parties requesting special notice, and Office of the United States Trustee on September 26, 2013. By the court's calculation, 35 days' notice was provided. 28 days' notice is required.

Tentative Ruling: The Motion to Abandon Real Property has been set for hearing on the notice required by Federal Rule of Bankruptcy Procedure 6007(b) and Local Bankruptcy Rule 9014-1(f) (1). The failure of the respondent and other parties in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f) (1) (ii) is considered to be the equivalent of a statement of nonopposition. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995).

The court's tentative decision is to deny the Motion to Abandon Real Property. Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter. If the court's tentative ruling becomes its final ruling, the court will make the following findings of fact and conclusions of law:

MARCH 27, 2014 HEARING

On March 18, 2014, the court approved the Trustee's request for authorization to employ PMZ Real Estate for the marketing of the properties commonly known as 1907 East F Street, Oakdale, California and 1317 Oakdale Road, Modesto, California. Orders to Employ, Dckts. 824, 825.

REVIEW OF MOTION

Movants Joanne Irene Bledsoe; Carl R. Fischer, Jr. and Sandy Fischer, as trustees of the Carl R. Fischer, Jr. and Sandy Fischer Revocable Trust UDT dated September 25, 2000; Amy C. Sherman, formerly known as Amy C. Fischer, as Trustee of the Amy C. Fischer Revocable Trust UDT dated November 14, 2005; and Robert Daniel Fischer (collectively "Bledsoe-Fischer Creditors" or "Movants") move to abandon the property parcel 078-015-029 and 078-015-030. Movant main contention is that the property is of no value to the estate and because the Debtors have not paid the property taxes.

TRUSTEE'S OPPOSITION

The Chapter 11 Trustee opposes the motion because the parcels are not of inconsequential value or benefit to the estate and are not burdensome. Trustee states the plan of reorganization is built around the Dale Road Project, of which the subject parcels are a part. Trustee is also informed that the Debtors have obtained a fully executed purchase and sale agreement, pursuant to which the Dale Road Property will be sold for approximately \$17,000,000.00.

Trustee states the parcels are of consequential value to the estate in that they are necessary to an effective plan or reorganization with a reasonable likelihood of being confirmed. Trustee states Debtors should be given a reasonable amount of time to attempt to confirm their plan or reorganization and that the motion should be denied or continued with the confirmation hearing.

DEBTOR'S OPPOSITION

Debtors oppose the motion arguing that the Motion should be denied because the Dale Road Properties are not of inconsequential value or benefit of the estate. The Debtors have negotiated an agreement for the sale of the properties for \$17,000,000.00, which will be consummated through confirmation of a chapter 11 plan. Debtors state the granting of this motion will destroy the proposed sale and eviscerate the value for the other creditors of this estate. The Debtor states the amended plan will pay creditors 100% of their allowed claims from the proceeds of the sale.

Debtors also state that the \$99,256.16 in accrued real property taxes related to the property have been paid.

MOVANT'S REPLY

Movant concedes that the Dale Road property is necessary to an effective reorganization. Movant states that it remains to be seen whether

the prospective buyer will actually perform and pay the estate \$17 million. Movant states the Agreement for Purchase and Sale of Real Property is contingent upon several conditions, including confirmation of a Chapter 11 plan, list pendens removal, recordation of a parcel map, and Trustee approval.

Movant also concedes that Debtors have filed a multitude of documents, including a Amended Disclosure Statement and First Amended Plan, but the actual efficacy of the documents filed is still a critical issue.

Lastly, the Movant states that it is unwilling to remove the Lis Pendens, which impedes the Debtor's reorganization.

Movant requests that its motions be granted, but that if the court deny its motions, then continue them rather to be hearing with plan confirmation.

DISCUSSION

After notice and hearing, the court may order the Trustee to abandon property of the Estate that is burdensome to the Estate or of inconsequential value and benefit to the Estate. 11 U.S.C. § 554(b), *Cf. Vu v. Kendall (In re Vu)*, 245 B.R. 644 (B.A.P. 9th Cir. 2000). An order compelling abandonment is the exception, not the rule. *Id.* at 647. Abandonment should only be compelled in order to help the creditors by assuring some benefit in the administration of each asset and absent an attempt by the trustee to churn property worthless to the estate just to increase fees, abandonment should rarely be ordered. *Id.*

Here, the court cannot find that the subject real property parcels, part of the Dale Road Property, are of inconsequential value or benefit to the estate. The Debtors First Amended Chapter 11 Plan is based on the sale of the Dale Road Property for \$17,000,000.00. While Movants may have doubts about the outcome of these activities, this doubt is not sufficient to show that the properties are of inconsequential value or benefit to the estate. Therefore, the motion is denied without prejudice.

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Motion to Abandon Property filed by the Creditor having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Motion to Compel Abandonment is denied without prejudice.

5. [11-94410](#)-E-11 SAWTANTRA/ARUNA CHOPRA
WGS-3 Evan D. Smiley
SPECIALLY SET

CONTINUED MOTION TO VALUE
COLLATERAL OF THE
BLEDSOE-FISCHER CREDITORS
10-3-13 [[613](#)]

Local Rule 9014-1(f)(1) Motion - Continued Hearing.

Correct Notice Provided. Correct Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Chapter 11 Trustee, respondent creditor, and Office of the United States Trustee on October 3, 2013. By the court's calculation, 28 days' notice was provided. 28 days' notice is required.

Tentative Ruling: The Motion to Value Collateral has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the respondent and other parties in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered to be the equivalent of a statement of nonopposition. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995).

The court's tentative decision is to grant the Motion to Value Collateral. Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter. If the court's tentative ruling becomes its final ruling, the court will make the following findings of fact and conclusions of law:

MARCH 27, 2014 HEARING

On March 18, 2014, the court approved the Trustee's request for authorization to employ PMZ Real Estate for the marketing of the properties commonly known as 1907 East F Street, Oakdale, California and 1317 Oakdale Road, Modesto, California. Orders to Employ, Dckts. 824, 825.

PRIOR HEARING

The parties reached an agreement to continue the hearing on the Motion to Value Collateral in return for the immediate payment from a non-estate source of \$99,256.16 in unpaid property taxes to the Stanislaus County Tax Collector which relates to APN 029 and APN 030 on the Dale Road Project located at 4754 Dale Road, Modesto, California. The moving party submitted a Stipulation based on the agreement, and the court granted the Stipulation. Dckt. 632.

DEBTOR'S MOTION

Debtors seek to fix the amount of the Bledsoe-Fischer Creditors secured claim at no more than the value of the real property collateral. The motion is accompanied by the Debtor's declaration. Debtors seek to value

the property at \$2,490,000.00, as depicted in the appraisal of David R. Giom of Cogdil & Giomi, Inc., the Bledsoe-Fischer Creditor's appraiser.

CREDITOR'S RESPONSE

Creditor responds, not opposing the ability for Debtor's to value their secured claim, but to the all encompassing language used in the motion.

DISCUSSION

The first deed of trust secures a loan with a balance of approximately \$8,395,557.47. The parties agree that the value of the commercial real property for purposes of 11 U.S.C. § 506(a) valuation of secured claim is \$2,490,000.00. Therefore, the respondent creditor's claim is under-collateralized. The creditor's secured claim is determined to be in the amount of \$2,490,000.00. See 11 U.S.C. § 506(a); *Zimmer v. PSB Lending Corp. (In re Zimmer)*, 313 F.3d 1220 (9th Cir. 2002); *Lam v. Investors Thrift (In re Lam)*, 211 B.R. 36 (B.A.P. 9th Cir. 1997). The valuation motion pursuant to Federal Rule of Bankruptcy Procedure 3012 and 11 U.S.C. § 506(a) is granted.

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Motion for Valuation of Collateral filed by Debtors having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Motion pursuant to 11 U.S.C. § 506(a) is granted and the claim of Joanne Irene Bledsoe, Carl R. Fischer, Jr. and Sandy Fischer, as trustees of the Carl R. Fischer, Jr., and Sandy Fischer Revocable Trust UDT dated September 25, 2000, Amy C. Sherman, formerly known as Amy C. Fischer, as trustee of the Amy C. Fischer Revocable Trust UDT dated November 14, 2005, and Robert Daniel Fisher ("Bledsoe-Fischer Creditors") secured by a deed of trust recorded against two parcels of real property located at Dale Road, Modesto, California, APN 078-015-029 and APN 078-015-030, is determined to be a secured claim in the amount of \$2,490,000.00, and the balance of the claim is a general unsecured claim to be paid through the confirmed bankruptcy plan. The value of the Property is \$2,490,000.00 and is encumbered by senior liens securing claims which exceed the value of the Property.

6. [11-94410](#)-E-11 SAWTANTRA/ARUNA CHOPRA
WGS-4 Evan D. Smiley

CONTINUED APPROVAL OF FIRST
AMENDED DISCLOSURE STATEMENT
FILED BY DEBTORS
12-5-13 [[705](#)]

SPECIALLY SET

Local Rule 9014-1(f)(1) Motion - Opposition Filed.

Correct Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Debtor, Debtor's Attorney, Chapter 11 Trustee, all creditors, and Office of the United States Trustee on December 5, 2013. By the court's calculation, 42 days' notice was provided.

Tentative Ruling: The Motion to Approve First Amended Disclosure Statement has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the respondent and other parties in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered to be the equivalent of a statement of nonopposition. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995).

The court's tentative decision is to deny the Motion to Approve First Amended Disclosure Statement. Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter. If the court's tentative ruling becomes its final ruling, the court will make the following findings of fact and conclusions of law:

MARCH 27, 2014 HEARING

On March 18, 2014, the court approved the Trustee's request for authorization to employ PMZ Real Estate for the marketing of the properties commonly known as 1907 East F Street, Oakdale, California and 1317 Oakdale Road, Modesto, California. Orders to Employ, Dckts. 824, 825.

REVIEW OF THE DISCLOSURE STATEMENT

Case filed: December 30, 2011

Background:

The Debtors are physicians and philanthropists, as well as and owners of and developers of real estate.

Creditor/Class	Treatment	
Administrative Expenses	Claim Amount	\$46,006.75 estimation
	Impairment	

	<p>Law Offices of Peter Fear: \$46,006.75 paid in full on the later of the effective date of the date that is ten business days after the court enters final order allowing the fees</p> <p>Gary Farrar: to be provided</p> <p>Hefner Start: to be provided</p> <p>Ryan, Christie, Quinn & Horn: to be provided</p>	
Priority Tax Claims	Claim Amount	\$100,673.43
	Impairment	
	<p>The Holders of Allowed Priority Tax Claims will be paid in full the allowed amount of their Claims on the Effective Date or as soon as reasonably practicable thereafter, but, in no event, more than five (5) years from the entry of the Orders for Relief. Allowed Priority Tax Claims shall accrue interest from the Effective Date on the unpaid balance of the Allowed Priority Tax Claim at the rate required by 11 U.S.C. § 511 to provide "present value" of the Allowed Priority Tax Claim. The Debtors reserve the right to pay any Allowed Priority Tax Claim in full on the Effective Date.</p>	
Class 1: Secured claim of Bledsoe-Fischer	Claim Amount	\$2,500,000.00 allowed secured claim
	Impairment	
	<p>Bledsoe-Fischer asserts a Claim in the amount of \$7,694,997.82 secured by a first priority lien against Dale Road Properties 029 and 030. The priority of Bledsoe-Fischer's liens are subject to the Lien Priority Litigation.</p> <p>If Bledsoe-Fischer holds first-priority liens against Dale Road Properties 029 and 030, then it will have an Allowed Class 1 Secured Claim in the lesser amount of the value of Dale Road Properties 029 and 030, as determined by the Court, or the amount of its Claim. Alternatively, if Bledsoe-Fischer holds liens that are junior to the Mid Valley Assignees' liens, then it will have an Allowed Class 1 Secured Claim only if and to the extent the value of Dale Road Properties 029 and 030, as determined by the Court, exceeds the amount of the Mid Valley Assignees' Allowed Secured Claims, up to the amount of its Claim. Bledsoe-Fischer will be paid the Allowed amount of its Class 1 Secured Claim in one of three alternative ways.</p>	

<p>Class 2:</p> <p>Secured claim of New Era (Oakdale)</p>	Claim Amount	
	Impairment	
	<p>New Era will be paid the Allowed amount of its Class 2 Secured Claim as follows:</p> <p>a. Payment of Allowed Claim. New Era's Allowed Class 2 Secured Claim shall accrue simple interest at the rate of five (5) % per annum and shall mature on the date that is five (5) years after the Effective Date. New Era's Allowed Class 2 Secured Claim shall be paid in full by its maturity date. The Debtors shall not be obligated to make any payments prior to the maturity date for the Allowed Class 2 Secured Claim, however, the Debtors reserve the right to make periodic payments of principal and/or interest on account of such Claim from the rental income generated by the Oakdale Property.</p> <p>b. Lien Retention. New Era shall retain its lien on the Oakdale Property to the same extent, validity, and priority as of the Petition Date, until the full satisfaction of New Era's Allowed Class 2 Secured Claim, if any, as provided herein, at which time New Era's lien shall be released and the Debtors shall retain title to the Oak Dale Property free and clear of New Era's lien.</p> <p>The treatment provided herein shall be in full settlement and satisfaction of New Era's Allowed Class 2 Secured Claim. For purposes of clarity, in no circumstances will New Era receive more than the amount of any Allowed Class 2 Secured Claim.</p>	
<p>Class 3:</p> <p>Secured claim of \$550K Lot C Assignees</p>	Claim Amount	\$579,159.62
	Impairment	

	<p>The \$550K Lot C Assignees assert a Claim in the amount of \$579,159.62, which is secured by a second priority lien against Dale Road Property 030. The priority of the \$550K Lot C Assignees' lien is subject to the Lien Priority Litigation. If the \$550K Lot C Assignees hold a first priority lien against Dale Road Property 030, then they will have an Allowed Secured Claim in the lesser amount of the value of Dale Road Property 030, as determined by the Court, or the amount of their Claim. Alternatively, if the \$550K Lot C Assignees hold a lien that is junior to Bledsoe-Fischer's lien, then they will have an Allowed Class 3 Secured Claim only if and to the extent the value of Dale Road Property 030, as determined by the Court, exceeds the amount of Bledsoe-Fischer's Allowed Secured Claim, up to the amount of their Claim. The \$550K Lot C Assignees will be paid the Allowed amount of their Class 3 Secured Claim in one of two alternative ways.</p>	
<p>Class 4:</p> <p>Secured claim of \$1.25 MIL Lot B Assignees</p>	Claim Amount	\$1,340,400.12
	Impairment	
	<p>The \$1.25 MIL Lot B Assignees assert a Claim in the amount of \$1,340,400.12, which is secured by a second priority lien against Dale Road Property 029. The priority of the \$1.25 MIL Lot B Assignees' lien is subject to the Lien Priority Litigation. If the \$1.25 MIL Lot B Assignees hold a first priority lien against Dale Road Property 029, then they will have an Allowed Secured Claim in the lesser amount of the value of Dale Road Property 029, as determined by the Court, or the amount of their Claim. Alternatively, if the \$1.25 MIL Lot B Assignees hold a lien that is junior to Bledsoe- Fischer's lien, then they will have an Allowed Class 3 Secured Claim only if and to the extent the value of Dale Road Property 029, as determined by the Court, exceeds the amount of Bledsoe- Fischer's Allowed Secured Claim, up to the amount of their Claim. The \$1.25 MIL Lot B Assignees will be paid the Allowed amount of their Class 4 Secured Claim in one of two alternative ways.</p>	
<p>Class 5:</p> <p>Secured Claim of the \$700K Lot B Assignees</p>	Claim Amount	\$752,389.30
	Impairment	

	<p>The \$700K Lot B Assignees assert a Claim in the amount of \$752,389.30, which is secured by a second priority lien against Dale Road Property 007, a third priority lien against Dale Road Property 029, and a first priority lien against the East F Street Property. The priority of the \$700K Lot B Assignees' lien against Dale Road Property 029 is subject to the Lien Priority Litigation. The \$700K Lot B Assignees will be paid the Allowed amount of their Class 5 Secured Claim in one of two alternative ways.</p>	
Class 6:	Claim Amount	\$918,549.99
Secured claim of Mosco	Impairment	

	<p>Mosco asserts a Claim in the amount of \$918,549.99 secured by a first priority lien against Dale Road Property 007 and a second priority lien against the Banner Court Property.</p> <p>a. Payment of Claim. By August 30, 2014 (the "Drop Dead Date"), the Mosco will be paid from escrow the Net Proceeds from the sale or refinance of Dale Road Property 007 and/or the Banner Court Property the sum of \$918,549.99 (the "Mosco Payment Amount"). Mosco's receipt of the Mosco Payment Amount by the Drop Dead Date shall be in full settlement and satisfaction of Mosco's Claim, and Mosco releases and waives any amounts in excess of the Mosco Payment Amount, including based on the Mosco Note, Deed of Trust, and/or any amendments thereto, against the Debtors, the Estate, and/or their respective property, and Mosco's liens against Dale Road Property 007 and against the Banner Court Property shall be deemed released. The Debtors shall not be required to make any payments pending the Drop Dead Date.</p> <p>b. Right to Proceed With Foreclosure. If Mosco does not receive the Mosco Payment Amount by the Drop Dead Date, then it shall be entitled to proceed with foreclosure proceedings regarding Dale Road Property 007 and the Banner Court Property in full settlement and satisfaction of Mosco's Claim, and Mosco releases and waives any amounts in excess of the amount it obtains through a foreclosure sale, including based on the Mosco Note, Deed of Trust, and/or any amendments thereto, against the Debtors, the Estate, and/or their respective property.</p> <p>c. Sole Recourse. Mosco's sole recourse on account of its Claim is to receive the Mosco Payment Amount from the Net Proceeds from the sale or refinance of Dale Road Property 007 and/or the Banner Court Property, as provided herein, or, if such payment is not made by the Drop Dead Date, then to foreclose on Dale Road Property 007 and/or the Banner Court Property, and Mosco waives and releases any and all rights and claims to pursue, or recover from, the Debtors, the Estate, and/or their respective property, including for any amounts in excess of the Mosco Payment Amount or the amount obtained through a foreclosure sale, as the case may be. Mosco shall not have any General Unsecured Claim for any such deficiency in this Case.</p> <p>d. Lien Retention. Subject to subparagraph e. below, Mosco shall retain its lien on Dale Road Property 007 and the Banner Court Property, to the same extent, validity, and priority as of the Petition Date, until</p>
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<p>Class 7:</p> <p>Secured claim of New Era (Dale Road Property 025)</p>	Claim Amount	\$700,000.00
	Impairment	
	<p>New Era will not receive anything on account of its Class 7 Secured Claim and New Era shall not have any deficiency Claim in this case.</p> <p>a. Sale Free and Clear of Liens. The sale of Dale Road Property 025 shall be free and clear of any lien, claim, or interest of any kind or nature whatsoever of New Era.</p> <p>b. Junior Liens. New Era consents to the Debtors granting to each the \$550K Lot C Assignees and the \$1.25 MIL Lot B Assignees a deed of trust against Dale Road Property 025 that is subordinate to its lien to secure their respective Secured Claims, as provided above.</p> <p>c. Consent to the Recordation of the Final Map. The Confirmation Order shall provide that the New Era is deemed to have consented to the recordation of the Parcel Map and the Subdivision Maps. The treatment provided herein shall be in full settlement and satisfaction of New Era's Allowed Class 7 Secured Claim.</p>	
<p>Class 8:</p> <p>Secured Claim of BOW (Hillcrest)</p>	Claim Amount	\$383,667.01
	Impairment	

	<p>BOW's will be paid its Allowed Class 8 Secured Claim in full as follows:</p> <p>a. Payment of Allowed Claim. BOW will continue to receive monthly payments as provided in the BOW Note 1. The monthly payments will be in the amount and will be made on the date set forth in the BOW Note 1. BOW's Allowed Class 8 Secured Claim will mature on the "Maturity Date" set forth in the BOW Note 1. Interest will accrue and be paid will at the rate provided in the BOW Note 1.</p> <p>b. Lien Retention. BOW shall retain its lien on the Hillcrest Property to the same extent, validity, and priority as of the Petition Date, until the full satisfaction of BOW's Allowed Class 8 Secured Claim, if any, as provided herein, at which time BOW's lien shall be released and the Debtors shall retain title to the Hillcrest Property free and clear of BOW's lien.</p> <p>The treatment provided herein shall be in full settlement and satisfaction of BOW's Allowed Class 8 Secured Claim. For purposes of clarity, in no circumstances will BOW receive more than the amount of any Allowed Class 8 Secured Claim.</p>	
Class 9:	Claim Amount	\$1,804,172.01
Secured Claim of BOW (Banner)	Impairment	

	<p>a. Payment of Allowed Claim. On the Effective Date, BOW shall have an Allowed Class 9 Secured Claim in an amount equal to the value of the Banner Court Property, as determined by the Court, up to the maximum amount of \$1,804,172.01. The Debtors believe that the Banner Court Property is currently worth approximately \$1,200,000.00, and, therefore, BOW will have an Allowed Class 9 Secured Claim in that amount. The principal amount of BOW's Allowed Class 9 Secured Claim will accrue simple interest at the rate of 5% or at such other rate ordered by the Court (the "BOW Class 9 Interest Rate"). BOW's Allowed Class 9 Claim will mature on and will be paid in full by the date that is five (5) years after the Debt Service Commencement Date (as defined below), but the Allowed Class 9 Claim will be amortized over a thirty (30) year period.</p> <p>BOW will receive interest only payments for months 1 through 30 and principal and interest payments based on a thirty (30) year amortization for months 31 through 60. Payments shall begin on the 1st of the first full month following the Effective Date (the "Debt Service Commencement Date") and monthly payments thereafter will be made on the 1st of each month.</p> <p>b. Prepayment. The Debtors may pre-pay the remaining principal balance of the Allowed Class 9 Secured Claim of BOW, in whole or part on any date, without any penalty or fee.</p> <p>c. Lien Retention. BOW shall retain its lien on the Banner Court Property in order secure only the Allowed amount of its Class 9 Secured Claim, as determined by the Court, to the same extent, validity, and priority as of the Petition Date, until the full satisfaction of BOW's Allowed Class 9 Secured Claim, if any, as provided herein, at which time BOW's lien shall be released and the Debtors shall retain title to the Banner Court Property free and clear of BOW's lien.</p> <p>d. Deficiency Claim. The amount of BOW's Claim in excess of the amount of its Allowed Class 9 Secured Claim determined by the Court shall be deemed and considered a General Unsecured Claim and treated in Class 12 and BOW's lien to secure such unsecured deficiency Claim shall be deemed void and released as of the Effective Date.</p> <p>The treatment provided herein shall be in full settlement and satisfaction of BOW's Allowed Class 9 Secured Claim. For purposes of clarity, in no circumstances will BOW receive more than the amount of Any Allowed Class 9 Secured Claim.</p>
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Class 10:	Claim Amount	\$1,900,000.00
Secured Claim of Triunfo	Impairment	

BOW's will be paid its Allowed Class 9 Secured Claim in full as follows:

a. Payment of Allowed Claim. On the Effective Date, BOW shall have an Allowed Class 9 Secured Claim in an amount equal to the value of the Banner Court Property, as determined by the Court, up to the maximum amount of \$1,804,172.01. The Debtors believe that the Banner Court Property is currently worth approximately \$1,200,000.00, and, therefore, BOW will have an Allowed Class 9 Secured Claim in that amount.

The principal amount of BOW's Allowed Class 9 Secured Claim will accrue simple interest at the rate of 5% or at such other rate ordered by the Court (the "BOW Class 9 Interest Rate"). BOW's Allowed Class 9 Claim will mature on and will be paid in full by the date that is five (5) years after the Debt Service Commencement Date (as defined below), but the Allowed Class 9 Claim will be amortized over a thirty (30) year period.

BOW will receive interest only payments for months 1 through 30 and principal and interest payments based on a thirty (30) year amortization for months 31 through 60. Payments shall begin on the 1st of the first full month following the Effective Date (the "Debt Service Commencement Date") and monthly payments thereafter will be made on the 1st of each month.

b. Prepayment. The Debtors may pre-pay the remaining principal balance of the Allowed Class 9 Secured Claim of BOW, in whole or part on any date, without any penalty or fee.

c. Lien Retention. BOW shall retain its lien on the Banner Court Property in order secure only the Allowed amount of its Class 9 Secured Claim, as determined by the Court, to the same extent, validity, and priority as of the Petition Date, until the full satisfaction of BOW's Allowed Class 9 Secured Claim, if any, as provided herein, at which time BOW's lien shall be released and the Debtors shall retain title to the Banner Court Property free and clear of BOW's lien.

d. Deficiency Claim. The amount of BOW's Claim in excess of the amount of its Allowed Class 9 Secured Claim determined by the Court shall be deemed and considered a General Unsecured Claim and treated in Class 12 and BOW's lien to secure such unsecured deficiency Claim shall be deemed void and released as of the Effective Date.

Class 11: General Unsecured claim of Loanvest	Claim Amount	\$295,000.00
	Impairment	
	<p>Loanvest's will be paid its Allowed Class 11 Unsecured Claim in full as follows:</p> <p>In full settlement and satisfaction of its Allowed Class 11 Unsecured Claim, Loanvest will be paid \$100,000.00 by the date that is two (2) years after the Effective Date, and \$125,000.00 by the date that is three (3) years after the Effective Date, for a grand total of \$225,000.00. The treatment provided herein shall be in full settlement and satisfaction of Loanvest's Allowed Class 11 Unsecured Claim. For purposes of clarity, in no circumstances will Loanvest receive more than the amount of any Allowed Class 11 Unsecured Claim. Loanvest shall not have a Claim in any other Class under the Plan.</p>	
Class 12: General Unsecured Claims (Excluding Loanvest)	Claim Amount	\$1,106,637.36
	Impairment	
	<p>Class 12 consists of General Unsecured Claims, excluding the Allowed General Unsecured Claim of Loanvest. The Holders of Allowed General Unsecured Claims will receive their respective Pro Rata Shares from Net Loan Proceeds on any Interim Distribution Dates and will be will be paid in full from the Net Loan Proceeds by no later than the General Unsecured Creditor Note Maturity Date.</p> <p>The treatment provided herein shall be in full settlement and satisfaction of any Allowed General Unsecured Claims. For purposes of clarity, in no circumstances will a Holder of an Allowed General Unsecured Claim receive more than the amount of it Allowed General Unsecured Claim, if any. The Holders of General Unsecured Claims shall not have Claims in any other Class under the Plan.</p>	
Class 13: Interest Holders	Claim Amount	
	Impairment	
	Class 13 Interest Holders are impaired under the Plan and will receive the pro-rata share of Cash available after the payment of Classes 1 through 12.	

A. C. WILLIAMS FACTORS PRESENT

Y Incidents that led to filing Chapter 11

Y Description of available assets and their value

Y Anticipated future of the Debtor
Y Source of information for D/S
Y Disclaimer
Y Present condition of Debtor in Chapter 11
Y Listing of the scheduled claims
Y Liquidation analysis
____ Identity of the accountant and process used
____ Future management of the Debtor
Y The Plan is attached

In re A.C. Williams, 25 B.R. 173 (Bankr. N.D. Ohio 1982); see also *In re Metrocraft*, 39 B.R. 567 (Bankr. N.D. Ga. 1984).

OBJECTIONS:

Don Mosco

Don Mosco filed a limited opposition to the disclosure statement on the grounds that he was not served with a copy of the disclosure statement, despite having filed a Request for Special Notice, and did not have an opportunity to review the disclosure statement (400+ pages with exhibits) to prepare the objection.

Mosco also argues that the disclosure statement fails to provide sufficient information about the proposed purchaser, Realm Investment Company to allow Mosco to make a fully informed decision whether to vote in support of the plan. Mosco states no projects are listed and no information is provided as to the outcome of the previous development efforts. Mosco states that Realm has no internet presence. Mosco also states that Realm's ability to deliver the funds or evidence of sufficient funds or letter of credit has not been provided.

Lastly, Mosco states that the plan proposes to treat his claim as impaired and fails to provide for interest and attorney fees despite Mosco being an oversecured creditor.

Bledsoe Fischer Creditors/Mid Valley Assignees

The Bledsoe Fischer Creditors and the Mid Valley Assignees object to the Debtors' proposed Disclosure Statement because it fails to provide adequate information about what creditors will be paid, when they will be paid and how they will be paid and what are their rights if the sale to Realm Investments LLC fails to close or be fully performed or the United States succeeds in its criminal forfeiture claims. It also fails to adequately forewarn creditors that Aruna Chopra, who the Bledsoe Fischer Creditors and the Mid Valley Assignees contend defrauded them by forging

reconveyance documents and materially misrepresenting priority of liens and who is presently a federal criminal defendant as a result thereof, will be revested with all assets other than the Dale Road Property and its proceeds if the proposed Plan is confirmed.

The Bledsoe Fischer Creditors and the Mid Valley Assignees also object that the Disclosure Statement does not provide adequate information concerning the lien priority disputes; the risks of the sale to Realm; the rights of creditors if the Dale Road Property does not sell; what claim objection, avoiding powers or other causes of action will be prosecuted; the potential absolute priority violations and other matters.

Lastly, The Bledsoe Fischer Creditors and the Mid Valley Assignees state the proposed Disclosure Statement describes a Plan that is unconfirmable on its face because it fails to resolve or provides for the forfeiture claims of the United States; fails to provide for the credit bid rights of secured creditors; provides a confirmation veto the Aruna Chopra's brother; gerrymanders unsecured classes; violates Section 1129(a)(15), and fails to satisfy the "Super Best Interest" test of Section 1129(a)(15).

Chapter 11 Trustee, Gary Farrar

Gary Farrar, the Chapter 11 Trustee, ("Trustee") opposes the disclosure statement on the basis that the Disclosure Statement does not provide adequate information in a number of respects.

First, the Trustee states he has requested certain Plan revisions to the Debtors with respect to the Trustee's authority as Plan Agent, limitations on liability, ability to employ and compensate professionals, and related matters. The Debtors' attorneys have indicated that the Trustee's revisions will be incorporated into revisions to the Plan, subject to approval by the Debtors. Based on the anticipated revisions to the Plan, the Disclosure Statement, as presently constituted, does not provide adequate information concerning the Plan Agent's role.

Second, the Trustee states that he anticipates that the joint opposition to the disclosure statement to be filed by the Bledsoe-Fischer creditors and the Mid Valley Assignees, the most active creditors in the case by far, may result in a number of revisions to the Plan and Disclosure Statement by the Debtors. Based on the anticipated revisions to the Plan, the Disclosure Statement, as presently constituted, does not provide adequate information.

Third, the Trustee argues that section III.B.1 contains a listing of professionals' administrative expenses, with those of the Trustee and his professionals listed as "\$0.00 (to be provided)." As set forth in various Monthly Operating Reports filed by the Trustee, the Trustee and his professionals have accrued, unpaid administrative claims. This discrepancy is relevant to several Disclosure Statement elements, including payments to be made out of escrow from the sale of the Dale Road Project, as well the Debtors' liquidation analysis.

Fourth, the Trustee states that while the disclosure statement states Peter Fear, Debtors' former counsel is owed \$46006.758, but Trustee

is not aware of any administrative fees presently owed to Mr. Fear.

Fifth, Trustee states section III.C.2 describes three alternative payment scenarios for both the Bledsoe-Fischer Creditors and the Mid Valley Assignees (029 and 030 Dale Road parcels). Several of the alternatives anticipate payments of those portions of Net Closing Proceeds (from the sale of the Dale Road Project) attributable to each creditors' collateral, which is calculated by dividing the purchase price for the entire Dale Road Project by the number of acres, to arrive at a per acre price attributable to the creditors' collateral. The Disclosure Statement does not explain why all acres should be assumed to be of equal value.

Sixth, the Trustee argues section 11.1.3 contains insufficient information concerning the pending federal criminal action (United States v. Aruna Chopra), or its anticipated impacts on this case and the Plan, including with respect to the cause of action for civil forfeiture, or how the Debtors anticipate resolving that cause of action.

Seventh, the Trustee states that the disclosure statement contains an inadequate description of risk factors, including with respect to Realm Investment Company, LLC, the proposed buyer of the Dale Road Project. A material term of the Plan is the \$8,000,000.00 seller carry-back note to be administered by the Trustee as Plan Agent, pursuant to which the Trustee will collect payments, release lots, and distribute proceeds to creditors. Notwithstanding the importance of this element of the Plan, very little is presently known about Realm or its principals. The Trustee understands that the Bledsoe-Fischer Creditors and Mid Valley Assignees have raised specific concerns about Realm based upon their independent investigation. Additional information about Realm, its anticipated development of the Dale Road Project, buyer qualifications, funding, and related issues will need to be disclosed before the Disclosure Statement will contain adequate information in this regard.

Lastly, the Trustee states that the forms of Seller Note and Seller Deed of Trust are still being negotiated in connection with the anticipated sale of the Dale Road Project.

DEBTORS' RESPONSE

The Debtors state they are in the process of revising the Disclosure Statement¹ and the Plan to include further information and to address certain of the objections raised by creditors and the Trustee. In particular, the Debtors and Realm are close to reaching an agreement on the form of the General Unsecured Creditor Note and Deed of Trust and the Disclosure Statement and the Plan will be revised to include those documents and to summarize their terms. The Debtors are also in the process of obtaining certain financial information from Realm regarding its ability to close the proposed sale of the Dale Road Properties. The Debtors believe that, with this information, the majority of the objections relating to the Disclosure Statement will be resolved. The Debtors are also revising the Disclosure Statement to include further information concerning the Lien Priority Litigation, the indictment and civil forfeiture allegation contained in the indictment, and the risks associated with the Plan.

Based on the forgoing, the Debtors request a short continuance of the hearing on the Disclosure Statement and the other contested matters.

DISCUSSION:

1. Before a disclosure statement may be approved after notice and a hearing, the court must find that the proposed disclosure statement contains "adequate information" to solicit acceptance or rejection of a proposed plan of reorganization. 11 U.S.C. § 1125(b).
2. "Adequate information" means information of a kind, and in sufficient detail, so far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, that would enable a hypothetical reasonable investor typical of the holders of claims against the estate to make a decision on the proposed plan of reorganization. 11 U.S.C. § 1125(a).
3. Courts have developed lists of relevant factors for the determination of adequate disclosure. *E.g., In re A.C. Williams, supra.*
4. There is no set list of required elements to provide adequate information per se. A case may arise where previously enumerated factors are not sufficient to provide adequate information. Conversely, a case may arise where previously enumerated factors are not required to provide adequate information. *In re Metrocraft Pub. Services, Inc.*, 39 B.R. 567 (Bankr. N.D.Ga. 1984). "Adequate information" is a flexible concept that permits the degree of disclosure to be tailored to the particular situation, but there is an irreducible minimum, particularly as to how the plan will be implemented. *In re Michelson*, 141 B.R. 715, 718-19 (Bankr. E.D.Cal. 1992).
5. The court should determine what factors are relevant and required in light of the facts and circumstances surrounding each particular case. *In re East Redley Corp.*, 16 B.R. 429 (Bankr. E.D. Pa. 1982).

The Debtors state they are working on a revised disclosure statement and plan based on the opposition filed in this matter.

No revised disclosure statement or plan have been filed to date.

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Motion For Approval of the Disclosure Statement filed by the Debtors having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the hearing on the Motion is denied without prejudice.