

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

In re:

THE DISBROW CORPORATION

Case No.: 8:10-bk-09504-CED  
Chapter 11

Debtor.

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**DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION**

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July 29, 2010

## **ARTICLE I** **SUMMARY**

This is the Chapter 11 Plan of Reorganization for the case of **The Disbrow Corporation**, a Florida corporation (the “**Debtor**” or “**Disbrow Corp**”). The Debtor filed its Voluntary Petition for Relief in the Middle District of Florida, Tampa Division (the “**Court**”), Case No. 8:10-bk-09504-CED (the “**Bankruptcy Case**”) under Chapter 11 of the Code on April 23, 2010, (the “**Petition Date**”).

This Plan of Reorganization (the “**Plan**”) proposes to pay creditors of the Debtor from the cash flow generated from future operations and future income. The Plan resolves the difficulties the Debtor has experienced in servicing the secured creditors’ claims and the priority tax claims. To the Debtor’s knowledge, this Plan complies with the applicable provisions of the Bankruptcy Code and the Debtor has complied with the applicable provisions of the Bankruptcy Code. The Debtor represents hereby that this Plan has been proposed in good faith and, to the Debtor’s knowledge, not by any means forbidden by law.

Where there is no agreement with a secured creditor, and an objection to the Debtor’s estimated value is made by a secured creditor, the Debtor will value the collateral securing the claim of the secured creditor with liens against certain of Debtor’s assets. Based on the valuation of the collateral, the Allowed Creditor’s secured claim shall be bifurcated into Allowed secured claims and Allowed unsecured claims.

After the Effective Date, Allowed secured creditors’ claims will be paid 100% (the full value) of their Allowed amount. This Plan also provides for the full payment of administrative and priority claims within sixty (60) months of the Effective Date of the Plan, unless otherwise agreed to by the parties.

All creditors and equity security holders should refer to **Articles III through V** of this Amended Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan.

**Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

## ARTICLE II

### CLASSIFICATION OF CLAIMS AND INTERESTS

2.01 Class 1 – Priority Claims. All allowed claims entitled to priority under § 507 of the Code (except administrative expense claims under § 507(a)(2), and priority tax claims under § 507(a)(8)).

2.02A Class 2A – Doug Belden, Hillsborough County Tax Collector. Doug Belden, Hillsborough County Tax Collector (“HCTC”) claims a lien on the real property located at 8412 Sabal Industrial Blvd., Tampa, FL 33619. Class 2A consists of the secured claim of HCTC, to the extent such secured claim is allowed as a secured claim under § 506 of the Code.

2.02B Class 2B – GE Capital Corporation. GE Capital Corporation (“GE”) claims a lien on the real property located at 8412 Sabal Industrial Blvd., Tampa, FL 33619. Class 2B consists of the secured claim of GE, to the extent such secured claim is allowed as a secured claim under § 506 of the Code.

2.02C Class 2C – United States Small Business Administration. The United States Small Business Administration (“SBA”) claims a lien on the real property located at 8412 Sabal Industrial Blvd., Tampa, FL 33619. Class 2C consists of the secured claim of SBA, to the extent such secured claim is allowed as a secured claim under § 506 of the Code.

2.02D Class 2D – SunTrust Bank - Class 2D consists of the secured claim of SunTrust Bank (“SunTrust”), to the extent such secured claim is allowed as a secured claim under § 506 of the Code.

2.02E Class 2E -- All Points Capital Corporation - Class 2E consists of the secured claims of All Points Capital Corporation (“APCC”), to the extent such secured claims are allowed as secured claims under § 506 of the Code.

2.02F Class 2F – Other Secured Claims - Class 2F consists of all other secured claims of any kind, to the extent such secured claims are allowed as secured claims under § 506 of the Code.

2.03 Class 3 - General Unsecured Claims All Class 3 General Unsecured Claims allowed under § 502 of the Code not otherwise classified herein.

2.04 Class 4 - Equity interests of the Debtor. All equity interests in the Debtor.

### ARTICLE III

#### **TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid the allowed amount of such claim in cash in full satisfaction, settlement, release, extinguishment and discharge of such claim on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor. Estimated Allowed Administrative Expense Claims are set forth below:

Holder	Amount
McIntyre, Panzarella, Thanasides et al.	\$15,000
Great American Leasing	\$10,000
Canon Financial	\$10,000
Other (estimated reserve)	\$20,000
<b>Total</b>	<b>\$55,000</b>

3.03 Priority Tax Claims. Each holder of an allowed priority tax claim will be paid a pro rata portion their Allowed claim, in payments over a period not exceeding five years from the date of the order for relief of a total value, as of the Effective Date, equal to 100% of the allowed amount of such claim.

#### **Estimated Priority Tax Claims**

	<u>Scheduled Amount</u>		<u>POC Amount</u>
IRS	\$11,000	POC #1	\$33,973
FDOR	\$88,000.00	POC #N/A	\$N/A

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

**ARTICLE IV**  
**TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.01 Claims and interests shall be treated as follows under this Plan:

<b>Class</b>	<b>Impairment</b>	<b>Treatment</b>
<b>Class 1 - Priority Claims</b> (none known, estimated at \$0)	Unimpaired	Holders of allowed Class 1 claims shall be paid in full, with interest at the applicable rate via 60 equal monthly payments beginning thirty days after the Effective Date of the Plan as set forth herein.
<b>Class 2 – Secured Claims</b>		
<b>Class 2A – Doug Belden, Hillsborough County Tax Collector (“HCTC”)</b> (est. allowed \$34,500)	Unimpaired	Holders of allowed Class 2A Secured Claims shall be paid in full, with interest at the applicable rate via 60 equal monthly payments beginning thirty days after the Effective Date of the Plan as set forth herein.
<b>Class 2B – GE Capital (“GE Capital”)</b> (est. allowed claim \$658k)	Impaired	The entire amount of the Class 2B Secured Claim of GE Capital shall be allowed. GE Capital will retain its lien on the real property located at 8412 Sabal Industrial Boulevard (“8412 Headquarters”). The outstanding loan balance will be restructured and the balance will be paid in full on a twenty-five year fully amortized basis at 5% interest, via monthly installments for 300 months.
<b>Class 2C – SBA Loans (“SBA”)</b> (est. allowed claim \$115k <sup>1</sup> )	Impaired	The allowed amount of the Secured Claim of SBA shall be paid in full, on a twenty-five year fully amortized basis at 5% interest, via monthly installments over 300 months. The SBA will retain its lien on the 8412 Headquarters in the allowed amount of its Class 2C Secured Claim.

<sup>1</sup> Estimated value of 8412 Sabal Industrial Blvd. = \$800,000 less GE Capital Claim and HCTC Claim.

<p><b>Class 2D – SunTrust Bank (“SunTrust”)</b> (est. allowed claim \$130k)</p>	<p>Impaired</p>	<p>The allowed Class 2D secured claim of <b>SunTrust</b> shall be paid in full, on a seven year fully amortized basis with 7.02% interest via 48 monthly installments and a 4 year balloon. SunTrust will retain its lien on the Heidelberg Press and the Debtor’s cash collateral, in the allowed amount of its Class 2D Secured Claim.</p>
<p><b>Class 2E – All Points Capital Corporation (“APCC”)</b> (est. allowed secured claim \$197.5k)</p>	<p>Impaired</p>	<p>The allowed Class 2E secured claim of <b>All Points Capital Corporation</b> shall be paid in full, on a fully amortized basis at 5% interest via 120 monthly installments. APCC will retain its lien on the Sakurai Press and the Tokai Die Cutter in the allowed amount of its Class 2E Secured Claim.</p>
<p><b>Class 2F – Other Secured Creditors</b> (est. allowed secured claims of \$0k)</p>	<p>Impaired</p>	<p>The allowed Class 2F Secured Claims of all <b>Other Secured Creditors</b> shall be paid in full, on a fully amortized basis with 5% interest via 60 monthly installments. The Class 2F Secured Creditors will receive replacement liens in their respective collateral to the extent of the Allowed Amount of their respective Class 2F Secured Claims.</p>
<p><b>Class 3 - General Unsecured Creditors</b> (est. allowed claims of \$1.1 million)</p>	<p>Impaired</p>	<p>The Allowed Class 3 <b>General Unsecured Creditor</b> claims shall be paid \$144,798.92 with no interest via 20 equal quarterly installment payments beginning 90 days from the Effective Date. Based on the estimated Allowed Class 3 Claims of \$1.1 million, the Allowed Class 3 General Unsecured Creditors are estimated to receive approximately 13 cents on every \$1.00 of allowed claims.</p>

<b>Class 4 - Equity Security Holders of the Debtors</b>	Impaired	Existing equity shall be cancelled and new equity shall be issued to the prior equity holders in amounts equal to the percentage of ownership each equity holder held on the Petition Date in exchange for payments made on guaranteed obligations of the Debtor during the pendency of this Bankruptcy case in excess of \$30,000.00.
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**ARTICLE V**  
**ALLOWANCE AND DISALLOWANCE OF CLAIMS**

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

**ARTICLE VI**  
**PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

6.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the effective date of this Plan as provided in Article VII.

(b) Upon the Effective Date of the Plan, the Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than thirty (30) days after the date of the order confirming this Plan.

**ARTICLE VII**  
**MEANS FOR IMPLEMENTATION OF THE PLAN**

The Debtor intends to successfully reorganize by concentrating on maintaining a consistent sales base based on first half calendar 2010 sales results, keeping overhead low, and more effectively managing cash flow, bookkeeping and administrative responsibilities. This Plan allows the Debtor to restructure most of its obligations by either stripping down secured debts, stretching out payment terms, obtaining interest rate relief, and reducing the amount of its outstanding unsecured obligations (the Plan calls for a payout of approximately 13 cents on the dollar versus a liquidation scenario of approximately 8 cents) so that the Debtor may tighten its belt and successfully reorganize in this uncertain economic environment.

The Debtor intends to file motions to value the real property owned by the Debtor, as well as the secured claims of the U.S. SBA and APCC, and other secured claims as deemed necessary to an effective reorganization of the Debtor. The Debtor has conservatively projected cash flow in preparing this Plan to ensure its feasibility. The Debtor's projections used to produce this Plan reflect projected revenue of 85% of its monthly average over the six months ending June 30, 2010 ("H1 2010"). Cost of goods, which averaged 38% during H1 2010, are projected using a 5% negative variance. In addition, the Debtor is expecting supplemental rental income from its vacant warehouse of approximately \$4,000.00 per month.

**ARTICLE VIII**  
**GENERAL PROVISIONS**

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions: N/A.

8.02 Effective Date. The Effective Date of this Plan is the eleventh business day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Florida govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

**ARTICLE IX**  
**DISCHARGE**

9.01. Reorganized Debtor. Except as otherwise expressly provided in this Plan or in the order confirming this Plan, as may be amended or modified (the “Confirmation Order”), the Confirmation Order shall operate as a discharge, pursuant to Section 1141 (d) of the Bankruptcy Code, to the fullest extent permitted by applicable law, as of the Effective Date of the Plan, of any and all debts of, and claims of any nature whatsoever against the Debtor that arose at any time prior to the Confirmation Date, including any and all claims for principal and interest, whether accrued before, on or after the Petition Date.

**ARTICLE X**  
**RETENTION OF JURISDICTION**

10.01. Retention of Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, until the reorganization case is closed, the Bankruptcy Court shall retain the most complete and most extensive jurisdiction of the reorganization case that is permitted by applicable law, including any and all actions necessary to ensure that the purposes and intent of the Amended Plan are carried out.

**ARTICLE XI**  
**OTHER PROVISIONS**

11.01. Modification of Plan. The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require circulation of a new disclosure statement to and/or re-voting on the Plan by any class of claims treated in less favorably by any such modified Plan. The Plan Proponent 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 modification after notice and a hearing.

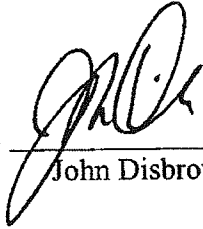
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11.02. Final Decree. Once the Estate has been fully administered, as provide in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirming Order, shall file a 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.

Respectfully submitted,

**THE DISBROW CORPORATION**

By:



John Disbrow, President