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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

		Case No.: 18-21351-SLM
In re:	:	Chapter 11
	:	
Art of Decoration, Inc.,	:	
	:	
	:	The Honorable Stacey L. Meisel
Debtor.	:	
	:	

SECOND AMENDED DISCLOSURE STATEMENT

This Disclosure Statement is filed pursuant to Section 1125 of Title 11, United States Code, on behalf of Art of Decoration, Inc. (the "Debtor"), the debtor and debtor-in-possession.

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT BEEN APPROVED

A. INTRODUCTION/NOTICE OF HEARING AND SOURCE OF INFORMATION

Pursuant to Section 1125 of Title 11 of the United States Code (the "Bankruptcy Code"), the Debtor in this Chapter 11 case, provide this Disclosure Statement (the "Disclosure Statement") to all of its known creditors and other parties in interest in order to provide information deemed by the Debtor to be material and necessary to enable such creditors and parties in interest to make a reasonable informed decision in the exercise of their rights to vote on and participate in the Debtor's Plan of Reorganization (the "Plan"). The Plan is annexed hereto as Exhibit "A".

Terms utilized in this Disclosure Statement, if not defined herein, shall have the same meaning as such terms are used or defined in the Plan unless the context hereof requires a different meaning.

The information contained in this Disclosure Statement is based on the representations made by the Debtor in its Petition and Schedules, monthly operating reports and all other documents and information provided by the Debtor. While the information and documentation submitted herewith is believed to be accurate, it has not been subjected to a certified audit or independent review. Therefore, no representation or warranty is made as to its accuracy or completeness. The Debtor has reasonably endeavored to obtain and supply all material information on an accurate basis. The Bankruptcy Court has conducted a hearing on the adequacy of the Disclosure Statement.

THE BANKRUPTCY COURT HAS SET _____ AS THE DATE AND TIME OF THE HEARING ON CONFIRMATION OF THE PLAN AND OBJECTIONS THERETO, WHICH HEARING WILL BE HELD IN THE UNITED STATES BANKRUPTCY COURT, DISTRICT OF NEW JERSEY, 50 WALNUT STREET, 3RD FLOOR, COURTROOM 3A, NEWARK, N.J. 07102. CREDITORS OF, AND HOLDERS OF INTERESTS IN THE DEBTOR'S MAY ATTEND SUCH HEARING. THE BANKRUPTCY COURT HAS SET _____ AS THE DATE BY WHICH ALL WRITTEN OBJECTIONS TO THE PLAN SHALL BE FILED WITH THE BANKRUPTCY COURT AND SERVED UPON THE DEBTOR'S ATTORNEYS, AND UPON THE UNITED STATES TRUSTEE.

IN ORDER TO BE CONFIRMED, THE PLAN MUST BE ACCEPTED BY A MAJORITY IN NUMBER AND TWO-THIRDS IN AMOUNT OF THOSE VOTING IN EACH CLASS IMPAIRED UNDER THE PLAN.

YOU ARE URGED TO REVIEW THE PLAN AND THIS DISCLOSURE STATEMENT WITH COUNSEL OF YOUR CHOICE.

THE DEBTOR BELIEVES THAT THE TREATMENT OF CREDITORS UNDER THE PLAN CONTEMPLATES A GREATER RECOVERY FOR SUCH CREDITORS THAN WOULD BE AVAILABLE UNDER ANY ALTERNATIVE PLAN OR IN A CHAPTER 7 LIQUIDATION. IN THIS REGARD, THE FOLLOWING IMPORTANT BENEFITS ARE NOTED:

THE PLAN PROVIDES FOR THE SALE OF THE PROPERTY LOCATED AT 46 BERGEN STREET, ENLEWOOD NJ 07631, PURSUANT TO THE ORDER ENTERED ON MARCH 31, 2020 BY THE BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY, APPROVING THE SALE OF THE PROPERTY PURSUANT TO THE TERMS OF A CONTRACT OF SALE DATED FEBRUARY 14, 2020. THE SECURED CREDITOR PNC BANK, NATIONAL ASSOCIATION, THE HOLDER OF THE FIRST MORTGAGE ON THE PROPERTY, IS EXPECTED TO BE PAID IN FULL, FROM THE PROCEEDS OF THE SALE, IN ACCORDANCE WITH THE PAYOFF AMOUNTS PROVIDED BY SAID CREDITOR.

THE RELATED CASES OF LEONID LEVITSKY AND NATALIA BEVZ, SHALL PROVIDE FOR IDENTICAL TREATMENT OF THE PNC CLAIM, AS THE CLAIM IS A JOINT AND SEVERAL OBLIGATION OF THE DEBTOR WITH THE SPOUSES NATALIA BEVZ AND LEONID LEVITSKY, AGAINST THE PREMISES OCCUPIED BY THE DEBTOR.

THE PLAN OFFERS THE GENERAL UNSECURED CREDITORS IN THE CASE A DISTRIBUTION OF 100% OF THE TOTAL AMOUNT OF UNSECURED IN LUMP SUM PAYMENT COMMENCING ON THE EFFECTIVE DATE OF THE PLAN.

ACCORDINGLY, THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTEREST OF CREDITORS AND RECOMMENDS THAT CREDITORS ACCEPT THE PLAN.

Other than the information set forth in this Disclosure Statement, the Debtor have not authorized any person or entity to make representations concerning the Debtor, future income, the value of its assets, or the amounts to be distributed under the Plan. Any representations or inducements made to secure your acceptance of the Plan which is other than as contained in this Disclosure Statement should not be relied upon by you in determining whether to accept or reject the Plan.

B. PRE-PETITION HISTORY OF THE DEBTOR AND EVENTS LEADING UP TO
CHAPTER 11

The Debtor is a corporation located at 46 Bergen Street Englewood, NJ 07631. The Action stems from a temporary decline of the Debtor's business during a period of time when the principal of the Debtor and the lead designer of the business, Leonid Levitsky, attended school to become a licensed Psychiatrist. Debts accumulated on some credit cards. During this time, the interest only period on the mortgage and line of equity held by PNC, against the premises where the Debtor is located, ended and the payments increased and became unmanageable. Upon default on said payments, both loans were accelerated. In order to address the few accumulated unsecured debts and mainly to resolve the joint and several liabilities under the mortgage on the premises, the Debtor sought Chapter 11 Bankruptcy protection on June 4th, 2018.

C. HISTORY OF THE DEBTOR'S CHAPTER 11 CASE

1. Procedural Background

Debtor commenced this bankruptcy case with the filing of a voluntary petition under chapter 11 on June 4, 2018. The Debtor has continued in the possession of its property as Debtor in possession, pursuant to 11 U.S.C. §§1108 and 1109. No committee of unsecured creditors has been appointed in this case.

2. Debtor's Post-Petition Operations

The Debtor expects to sell the building located at 46 Bergen Street, Enlewood NJ 07631, as described above, in accordance with contract of sale terms, described herein.

D. PLAN FUNDING

The Plan will be financed from the generated business income and personal contributions by Leonid Levitsky from his psychiatry practice operations. The claim of the secured creditor PNC Bank will be paid in full, form the proceed of the sale of the property.

E. CLASSIFICATION, AMOUNT, AND NUMBER OF CLAIMS

All Claims except Administrative Claims, Priority Tax Claims and Bankruptcy Fees placed in the Classes set forth before below. In accordance with Section 1123(a)(I) of the Bankruptcy Code, Priority Tax Claims have not been classified. A claim is placed in a particular Class only to the extent that the Claim falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim falls within the description of the other

Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is Allowed in that Class and the Claim has not been paid, released or otherwise settled prior to the Effective Date.

A. Unclassified Claims

1. Administrative Claims
2. Priority Tax Claims.
3. Bankruptcy Fees.

Impaired Classes of claims

Class I- (Secured Claims) --consists of the claim of PNC Bank, National Association in the amount of \$428,649.10.

Class II (Unsecured Claims) consists of the claims of general unsecured creditors in the Debtor's case totaling approximately \$6,460.49

F. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

1. Confirmation and Disclosure Statement Hearing

The Bankruptcy Court approved this Disclosure Statement at the hearing held _____ . A hearing on confirmation of the Plan has been set for _____ . At that hearing the Court will determine whether (a) the Plan has been accepted by the requisite number of Creditors and (b) whether the other requirements for confirmation of the Plan have been satisfied. Each Creditor will receive notice of the Confirmation Hearing.

2. Requirements for Confirmation

In order to confirm the Plan, Section 1129 of the Bankruptcy Code requires the Bankruptcy Court to make a series of determinations concerning the Plan, including that:

- a. the Plan classifies Claims and Interests in a permissible manner;
- b. the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code;
- c. the proponents of the Plan has proposed the Plan in good faith;
- d. the Plan proponent's disclosures concerning the Plan have been adequate and have included information concerning all payments and distributions to be made in connection with the Plan; and

e. Confirmation of the Plan will not be followed by the need for liquidation or the need for further financial reorganization of the Debtor, as the Debtor expects to pay all of its' claims in full, on the effective date of the plan.

The Debtor believes that all of these conditions have been met or will be met by the time of the Confirmation Hearing, and the Debtor will seek a determination of the Bankruptcy Court at the Confirmation Hearing that each of these elements has been met.

Acceptances Necessary for Confirmation.

The Bankruptcy Code requires that the Plan place each creditor's Claim and each Interest in a class with other Claims or Interests which are substantially similar. The Debtor believes that the classification system in the Plan meets the Bankruptcy Code's standard. Although the Bankruptcy Court must independently conclude that the Plan's classification system is legally authorized, any Creditor or Interest holder who believes that the Plan has improperly classified any group of Claims or Interests may object to Confirmation of the Plan.

The Bankruptcy Code requires that the Plan be accepted by requisite votes of Creditors and Interest Holders in impaired classes. At the Confirmation Hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by each Class of Creditors and Interest holders whose Claims or Interests are impaired under the Plan. Under Section 1126 of the Bankruptcy Code, any impaired Class is deemed to accept the Plan if it is accepted by at least two-thirds in amount and more than one-half in number of the Allowed Claims or Interests of Class members who have voted on the Plan.

Further, at least one impaired Class must accept the Plan, without counting the vote of Insiders of the Debtor.

Finally, unless there is unanimous acceptance of the Plan by an impaired Class, the Court must also determine that under the Plan, Class members will receive property of value as of the Effective Date of the Plan that is not less than the amount such Class members would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

3. Confirmation of the Plan without Necessary Acceptances.

The Plan may be confirmed even if it is not accepted by all of the impaired classes if the Court finds that the Plan was accepted by at least one impaired Class and does not discriminate unfairly against, and is fair and equitable with respect to, all non-accepting impaired Classes. This provision is set forth in Section 1129(b) of the Bankruptcy Code and requires, among other things,

that the holders of Claims or Interests which are impaired must either receive or retain the full value of their Claims or, if they receive less, no Class with a junior priority may receive anything.

4. Absolute Priority Rule.

With certain exceptions, one of the requirements for confirmation is that a Plan not provide for any payments to a junior Class unless all senior Classes are paid in full. Since General Unsecured Claims are superior to the Debtor, the Debtor may not retain its Interests, except as to property delineated by Bankruptcy Code Section 1115, unless one of three situations occurs:

- (i) The Plan provides for full payment to general unsecured creditors; or
- (ii) The stockholders seeking to retain their equity interests contribute “money or money’s worth” in the form of needed capital to the Reorganized Company reasonably equivalent in value to that of the equity interest sought to be retained; or
- (iii) The class of unsecured creditors waive their rights by consenting to the Plan as proposed.

5. Persons Entitled to Vote on the Plan.

Only the votes of Classes whose Claims or Interests are impaired by the Plan will be counted in connection with confirmation. Generally, this includes any holders of Claims who will have their contractual rights to payment altered under the Plan. The following Classes of Creditors are entitled to vote on the Plan: Classes I and II.

6. Solicitation of Acceptances.

This Disclosure Statement has been approved by the Bankruptcy Court in accordance with Section 1125 of the Bankruptcy Code and must be provided to creditors which have been scheduled by the Debtor or which have filed a proof of claim and are impaired under the Plan. This Disclosure Statement is intended to assist holders of Claims which are impaired in evaluating the Plan and in determining whether to accept or reject the Plan. Under the Bankruptcy Code, a determination that the Disclosure Statement contains “adequate information”, as required by the Bankruptcy Code, does not constitute a recommendation by the Bankruptcy Court either for or against the Plan.

7. Voting Procedures.

Only Impaired Classes of Claims are entitled to vote for or against the Plan. Ballots will be mailed to the holders of Classes I and II. All persons or entities entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, and signing the ballot for accepting or

rejecting the Plan to be sent to them together with a copy of the Disclosure Statement and Plan, and delivering same to counsel for the Debtor: LAW OFFICES OF ALLA KACHAN, P.C., 3099 CONEY ISLAND AVENUE, 3rd FLOOR, BROOKLYN, NEW YORK 11235. In order to be counted, all ballots must be received by LAW OFFICES OF ALLA KACHAN, P.C. on or before the date set forth in the Notice of Hearing on Confirmation of Plan. A copy of the proposed ballot has been annexed hereto as Exhibit "B".

H. DESCRIPTION OF THE PLAN

The following is a summary of certain provisions of the Plan. IT IS NOT A COMPLETE STATEMENT OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO PROVISIONS OF THE PLAN. The Plan is annexed to this Disclosure Statement as Exhibit "A". The Plan, which is subject to the provisions of the Bankruptcy Code, provides for treatment of all Creditors of the Debtor. SINCE THE PLAN DEALS WITH SOPHISTICATED LEGAL CONCEPTS, AND INCORPORATES THE DEFINITIONS AND REQUIREMENTS OF THE BANKRUPTCY CODE, YOU MAY WISH TO CONSULT WITH COUNSEL OF YOUR CHOICE IN MAKING ANY DECISIONS REGARDING THE PLAN.

a. Summary of Classifications and Treatment of Claims and Interests Under the Plan

1. Unclassified Claims:

Administrative Claims

Administrative claims consist of the Debtor's duly retained professionals and any other administrative expenses allowed under Section 503 of the Bankruptcy Code. Administrative Claims will include the fees and expenses of the Debtor's Counsel, Alla Kachan, Esq., in the approximate amount of \$6,000.00 through confirmation which constitutes the full pre-petition retainer, as well as \$3,000.00 in accumulated post-petition legal fees.

Verta Consulting & Accounting, Inc. asserts a claim for the fees and expenses as accountants for the Debtor, in the total approximate amount of \$2,600.00. Verta Consulting & Accounting, Inc. did not received an initial retainer fee prior to filing, thus the remaining post-petition fees owed to Verta Consulting & Accounting, Inc., are \$2,600.

The claims of Debtor's professionals shall be subject to final fee applications pursuant to Bankruptcy Code Section 330 and orders of the Court approving the fees and expenses as sought by this

application. The Debtor estimates that the total administrative fees paid to professionals will equal \$11,600.00.

2. Priority Claims

Priority (unsecured) claim of Department of Treasury Internal Revenue Services in the amount of \$1,921.93. The claim will be paid in full on the effective date of the Plan.

Statutory Bankruptcy Fee

All Bankruptcy fees and charges assessed against the Debtor under 28 U.S. C. § 1930(a)(6) payable to the United States Trustee shall be paid in cash by the Effective Date, with any applicable interest thereon. Thereafter, such fees and any applicable interest shall continue to be paid by the Debtor until Debtor's case is closed by entry of a final decree, converted, or dismissed.

The Debtor shall pay all United States Trustee quarterly fees under 28 U.S.C. § 1930(a)(6), plus interest due and payable under 31 U.S.C. § 3717 on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtor's affairs, until the entry of a Final Decree, dismissal of the Chapter 11 Case or conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code. Additionally, the Debtor shall file quarterly Post Confirmation Reports and schedule quarterly post-confirmation status conferences with the Court.

Impaired Classes of Claims

Class I- (Secured Claims) –consists of the claim of secured creditor PNC Bank, National Association in the amount of \$428,649.10. The plan offers the secured creditor PNC Bank, National Association a payment in full, of the final payoff amounts of both loans, which are estimated to be \$423,846.39, from the sale of the property located at 46 Bergen Street, Enlewood NJ 07631, in full and final satisfaction of the loan. The referenced payoff amount is exclusive of a legal fee of the bank attorneys \$32,041.02, as well as a tax lien of \$3,500, to be paid from proceeds, at closing. Thus, the total amount payable to PNC Bank at closing, is \$459,387.41. The estimated HUD Settlement Statement is attached herein as an exhibit.

Class I Claim is impaired as to the entitlement of interest over the original contract terms and is entitled to vote.

Class II- (unsecured claims) consists of the claims of general unsecured creditors in the Debtor’s case totaling approximately \$6,460.49

The Debtor proposes to pay 100% dividend of their allowed claims in lump sum payment upon the Effective Date of this Plan. As a result, Class II Claims are impaired and are entitled to vote pursuant to §1126(f) of the Bankruptcy Code.

Members of Class II	Aggregate Dollar Amount of Claims in Class II	Plan Treatment of Class II
PNC Bank, N.A.	\$5,924.18	100% in lump sum payment upon the Effective date of the plan.
Internal Revenue Service	\$536.31	100% in lump sum payment upon the Effective date of the plan.

Classes I and II are impaired under the Plan.

b. Classes Impaired Under the Plan

Under Section 1126 of the Code, Classes of Claims or Interests that are impaired are entitled to vote on a Plan of Reorganization. Under Section 1124 of the Bankruptcy Code, a Class of Claims or Interests is impaired unless the Plan, with respect to such Class:

1. leaves unaltered the legal, equitable and contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest; or
2. reinstates the maturity of such Claim or Interest as such maturity existed before such default; or
3. compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; or
4. if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensates the holder of such claim or such interest (other than the Debtor or an insider) for any pecuniary loss incurred by such holder as a result of such failure; and
5. does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

I. CURRENT STATEMENT OF OPERATIONS

Annexed hereto as Exhibit "C" is the Debtor's Monthly Operating Report as of May, 2020.

J. CLAIMS OBJECTIONS

If, as of sixty (60) days after the Effective Date, the Debtor have pending objections to claims, either filed as proofs of claim and/or scheduled in the Debtor's case (the "Disputed Claims"), no distributions otherwise due will be made by the Reorganized Debtor to the holders of Disputed Claims. At the time of any distribution under the Plan, the Reorganized Debtor will reserve and will not distribute cash equal to the amount that the holders of Disputed Claims at the time of such distribution would have received had the Disputed Claims been Allowed Claims. After the Court has determined all Disputed Claims, the reserved amount will be distributed in accordance with the provisions of the Plan. At such time as a Disputed Claim becomes an Allowed Claim, the distribution that would have been dispersed had the Disputed Claim been an Allowed Claim on the Effective Date will be distributed by the Reorganized Debtor, without interest, to the holder of such Allowed Claim promptly after the Disputed Claim becomes an Allowed Claim pursuant to final order of the Court.

The Debtor and the Reorganized Debtor reserves the right to file objections to claims, to the extent that such objections are deemed necessary and appropriate. Any objections to claims the Debtor intends to bring will be filed no later than sixty (60) days after the Effective Date.

K. FULL AND FINAL SATISFACTION

As provided in the Plan, all payments, distributions, and transfers of cash or property, under the Plan are in full and final satisfaction, settlement and release of all claims whatsoever existing as of the Confirmation Date against the Debtor, the Estate and the Reorganized Debtor, of any kind or nature whatsoever. These releases shall be effective upon Substantial Consummation of the Plan.

L. VOTING IMPAIRMENT, CONFIRMATION AND CRAMDOWN

1. Voting.

Claimants with allowed impaired claims are entitled to vote to accept or reject the Plan. A claimant who fails to vote to either accept or reject the Plan will not be included in the calculations

regarding the acceptance or rejection of the Plan. Classes which are not "impaired" under the Plan, pursuant to Section 1126(f) of the Bankruptcy Code, are presumed to have accepted the Plan.

If the Court determines that any class is impaired, then a ballot to be completed by the holders of Claims of that class or classes will be enclosed herewith. Instructions for completing and returning the ballots are set forth thereon and should be reviewed at length. The Plan will be confirmed by the Bankruptcy Court and made binding upon all claimants if, with respect to all classes of claimants, the Plan is accepted by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of allowed claims in each class voting upon the Plan.

2. The Confirmation Hearing

The Bankruptcy Court has scheduled the Confirmation Hearing to be held before the Honorable Stacey L. Meisel, United States Bankruptcy Judge, in the United States Bankruptcy Court – District of New Jersey, 50 Walnut Street, 3rd Floor, Courtroom #3A, Newark, N.J. 07102 on _____. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of such adjournment in open Court. At the Confirmation Hearing, or at any adjourned hearing thereof, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and whether it is in the best interests of holders of Claims and Interests. The Bankruptcy Court will also receive and consider a certification of ballots prepared on behalf of the proponent concerning the results of the vote on the Plan.

M. POTENTIAL AVOIDANCE AND OTHER SIMILAR CASES

The Debtor, after consultation with its professionals, has determined that there are very few, if any, preference actions. Under a cost benefit analysis, any such litigation would not increase the distribution to any class of creditors. The Debtor has agreed that no such actions will be brought. The Debtor has determined that there are no fraudulent conveyance actions to be brought in these Chapter 11 Cases.

N. TAX CONSEQUENCES TO ALLOWED CLAIMANTS.

The federal income tax consequences with respect to payments of Cash to Allowed Claimants in partial or full satisfaction of debt, or pursuant to a tax free recapitalization or

other restructuring, depend on the allocation of such payments to principal and interest owed on the debt. The allocation of payments between interest and principal may affect:

- a. the existence and timing of recognition of interest income by a cash basis Claimant;
- b. the existence and timing of interest deductions on a cash basis (and sometimes to an accrual basis) Debtor;
- c. the amount (and possibly the character) of worthless debt loss recognized by the Claimants;
- d. the amount of cancellation of indebtedness income recognized by the Debtor; and the amount of gain or loss recognized by the Claimant pursuant to a recapitalization under Internal Revenue Code § 368(a)(1)(E).

An Allowed Claimant will recognize ordinary income to the extent that any stock, debt securities, other premises, or cash received is attributable to interest (including original issue discount) ("OID") which has accrued while the Claimant held the debt and which the Claimant previously included in income, exceeds the fair market value of stock, debt and cash received by the Claimant which is attributable to such accrued interest (including OID).

In addition, such Claimants will realize gain on such amount equal to the excess of the fair market value of stock, debt, other premises and cash received (excluding amounts attributable to interest and discussed above) over the cost or other tax basis of the debt claims surrendered (excluding any tax basis allocated to accrued interest). The gain may be a capital gain unless the exchange has the effect of a distribution of a dividend under Internal Revenue Code § 305 (discussed below) in which case gain recognized that is not in excess of earnings and profits of the Debtor will be treated as a dividend. A corporate Claimant who receives a dividend may qualify for a dividend received deduction with respect to the dividend.

The rules regarding taxation of payments to Claimants which are attributable to other accrued but unpaid income items (e.g., rents, compensation, royalties, dividends, etc.) are similar to the rules described above for payments allocated to interest.

-Importance of Obtaining Professional Tax Assistance.

THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF SELECTED FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH, AND RECEIPT OF ADVICE FROM, A TAX PROFESSIONAL. THE FEDERAL INCOME TAX CONSEQUENCES OF

THE PLAN THAT ARE DESCRIBED HEREIN AND THE STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN THAT ARE NOT ADDRESSED HEREIN, ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM. ACCORDINGLY, EACH CLAIMANT AND EQUITY HOLDER IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN.

O. RETENTION OF JURISDICTION.

The Bankruptcy Court shall retain jurisdiction of the Chapter 11 Cases pursuant to and for the purposes set forth in Section 1127(b) of the Bankruptcy Code and, *inter alia*, for the following purposes:

- (i) To determine additional objections, if any, to the allowance of Claims or Interests;
- (ii) To determine any and all applications for compensation and reimbursement of expenses for professional fees and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code;
- (iii) To amend or modify the Plan to remedy any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary or advisable to carry out the purposes and intent of the Plan to the extent authorized by the Bankruptcy Code or the Bankruptcy Rules;
- (iv) To determine any and all controversies and disputes arising under or related to the Plan;
- (v) To construe and enforce any and all provisions of the Plan;
- (vi) To determine any and all applications, motion, adversary proceedings and contested or litigated matters pending before the Bankruptcy Court, or commenced within ninety (90) days of the Effective Date, concerning the administration of the Estate, or its property;
- (vii) To determine any and all controversies and disputes arising under or related to any settlement of an adversary proceeding or contested matter approved by the Bankruptcy Court, either before or after the Confirmation Date; and

(viii) To enter a final Order or decree in the Debtor's Chapter 11 Case upon notice to the Office of the United States Trustee.

(ix) To determine such other matters as may be provided for in the Plan, Confirmation Order or as may be authorized under the provisions of the Bankruptcy Code or Bankruptcy Rules.

P. FINANCIAL INFORMATION.

The Debtor has filed with the Bankruptcy Court monthly operating reports. This financial information has not been included in this Disclosure Statement, but may be examined in the office of the Clerk of the Bankruptcy Court, United States Bankruptcy Court - District of New Jersey, 50 Walnut Street, Newark, N.J. 07102, or, upon reasonable advance notice, at the offices of Law Offices of Alla Kachan, P.C. at 3099 Coney Island Ave, 3rd Floor, Brooklyn, NY 11235, during normal business hours.

Q. ACCOUNTING PROCESS

The financial information contained in this Disclosure Statement was derived from the Petition, Schedules and monthly operating reports filed by the Debtor in this case.

R. DISTRIBUTIONS UNDER THE PLAN

General Matters Concerning the Distribution of Consideration

1. The Disbursing Agent

The Reorganized Debtor and such other Person(s) as may be approved by the Reorganized Debtor, or the Bankruptcy Court, shall act as Disbursing Agent(s) under the Plan. Any such Disbursing Agent may, with the prior approval of the Reorganized Debtor, employ or contract with other Persons to assist in or to perform the distributions required.

2. Cash Payments

Cash payments made pursuant to the Plan will be in U.S. dollars by checks drawn on a domestic bank selected by the Reorganized Debtor, or by wire transfer from a domestic bank, at the option of the Reorganized Debtor.

3. Transmittal of Distributions

A distribution shall be deemed made at the time such distribution is deposited in the United States mail, postage prepaid. Except as otherwise agreed with the holder of an Allowed Claim or Allowed Interest, any distribution on account of an Allowed Claim or Allowed Interest shall be distributed by mail to (1) the latest mailing address filed of record for the party entitled thereto or to a holder of a power of attorney designated by such holder to receive such distributions or (ii) if no such mailing address has been so filed, the mailing address reflected on the filed Schedules of Assets and Liabilities or in the Debtor's books and records.

4. Undeliverable Distributions

If any distribution is returned to a Disbursing Agent as undeliverable, no further distributions shall be made to the holder of the Allowed Claim or Allowed Interest on which such distribution was made unless and until the Disbursing Agent or the Debtor are notified in writing of such holder's then-current address. Undeliverable distributions shall remain in the possession of the Disbursing Agent until such time as a distribution becomes deliverable or is deemed canceled (as hereinafter provided). Any unclaimed distribution held by a Disbursing Agent shall be accounted for separately, but the Disbursing Agent shall be under no duty to invest any such unclaimed distribution in any manner. Any holder of an Allowed Claim or Allowed Interest that does not present a Claim for an undeliverable distribution within one hundred and twenty (120) days after the date upon which a distribution is first made available to such holder shall have its right to such distribution and all subsequent distributions discharged and shall be forever barred from asserting any such Claim or Interest against the Reorganized Debtor or its property or against any other Person or entity, including the Disbursing Agent. All unclaimed or undistributed distributions shall, pursuant to Bankruptcy Code Section 347(b), be the property of the Debtor and shall be treated as determined by the Debtor in its sole and absolute discretion.

S. LEGAL EFFECTS OF CONFIRMATION AND EFFECTIVENESS OF THE PLAN

1. Discharge and Injunction

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving the Plan and any agreements or Orders entered in connection therewith, on and after the Effective Date and subject to the payments to be made under the Plan, and that:

a. the rights afforded in the Plan, and the treatment of all Claims and Interests thereunder, shall be in exchange for, and in complete satisfaction, discharge, and release of all Claims, (including without limitation, all Administrative Claims, Secured Claims, and Unsecured Claims (including any interest accrued on such Claims from and after the Petition Dates)), against the Debtor and the Reorganized Debtor, or any of their assets or properties and any liability thereunder;

b. all substantive or obligations of the Debtor shall be terminated, and the Debtor and the Reorganized Debtor shall be deemed discharged and released to the fullest extent permitted by Bankruptcy Code Section 1141 from all Claims that arose prior to the Effective Date against the Debtor and the Reorganized Debtor or their property or assets, (including without limitation, all Administrative Claims, Secured Claims, and Unsecured Claims (including any interest accrued on such Claims from and after the Petition Dates)), and all debts of the kind specified in Bankruptcy Code Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code. This discharge and release shall be effective in each case whether or not: (i) a proof of claim or proof of interest based on such Claim, Administrative Claim, or Interest is Filed or deemed Filed pursuant to Bankruptcy Code Section 501, (ii) a Claim, Administrative Claim, is Allowed pursuant to the Bankruptcy Code, or (i) the holder of a Claim, Administrative Claim has accepted the Plan;

c. all Persons and Governmental Units shall be permanently enjoined by Bankruptcy Code Section 524 from asserting against the Debtor, its successors, including the Reorganized Debtor, or their assets or properties, any other further Claims, or Administrative Claims, based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date. The discharge shall void any judgment against the Debtor and the Reorganized Debtor at any time obtained to the extent that it relates to a Claim, or Administrative Claim, that has been discharged or terminated;

d. all Persons and Governmental Units who have held, currently hold, or may hold a Claim or Administrative Claim, discharged or terminated pursuant to the terms of the Plan shall be permanently enjoined by Bankruptcy Code Section 524 from taking any of the following actions on account of any such discharged Claim or Administrative Claim: (i) commencing or continuing in any manner any action or other proceeding against the Debtor or the Reorganized Debtor, their successors, assets, or properties; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Debtor or the Reorganized Debtor, their

successors, assets, or properties; (iii) creating, perfecting, or enforcing any lien or encumbrance against the Debtor or the Reorganized Debtor, their successors, assets, or properties; (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to the Debtor or the Reorganized Debtor, their successors, assets, or properties; and (v) commencing or continuing any action, in any manner or place, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. Any Person or Governmental Unit violating such injunction may be liable for actual damages, including costs and attorneys' fees and, in appropriate circumstances, punitive damages; and

e. all Persons and Governmental Units who have held, currently hold, or may hold a Claim or Administrative Claim, discharged or terminated pursuant to the terms of the Plan shall be permanently enjoined by Bankruptcy Code Section 524 from commencing or continuing in any manner any action or other proceeding against any party on account of a Claim or cause of action that was property of the Estate, including, without limitation, any derivative Claims capable of being brought on behalf of the Debtor or the Reorganized Debtor, and all such Claims and causes of action shall remain exclusively vested in the Debtor and the Reorganized Debtor to the maximum extent such Claims and causes of action were vested in the Debtor. The Plan shall be binding upon and govern the acts of all Persons including, without limitation, all holders of Claims and Administrative Claims, all filing agents or officers, title agents or companies, recorders, registrars, administrative agencies, Governmental Units and departments, agencies or officials thereof, secretaries of state, and all other Persons who may be required by law, the duties of their office, or contract to accept, file, register, record, or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the assets of the Debtor or the Reorganized Debtor.

f. Neither the Debtor, the Reorganized Debtor, nor counsel to the Debtor or any Professional Person employed in the Chapter 11 Cases, nor any of their respective members, shareholders, officers, directors, employees, attorneys, advisors or agents shall have or incur any liability to any holder of a Claim or Interest for any act or omission in connection with, or arising out of, the Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan except for willful misconduct, fraud, breach or fiduciary duty or gross negligence.

g. Notwithstanding any of the foregoing, the Debtor discharge is governed by the provisions of Bankruptcy Code Section 1141(d)(5) which states as follows:

“In a case in which the debtor is an individual –

(A) unless after notice and a hearing the court orders otherwise for cause, confirmation of the plan does not discharge any debt provided for in the plan until the court grants a discharge on completion of all payments under the plan;

(B) at any time after the confirmation of the plan and after notice and a hearing the court may grant a discharge to the debtor who has not completed payments under the plan if – (i) the value, as of the effective date of the plan, of property actually distributed under the plan on account of each allowed unsecured claim is not less than the amount that would have been paid on such claim of the estate of the debtor had been liquidated and under chapter 7 on such date; and (ii) modification of the plan under Section 1127 is not practicable; and

(C) unless after notice and a hearing held not more than ten (10) days before the date of the entry of the order granting the discharge, the court finds that there is no reasonable cause to believe that – (i) section 522(q)(1) may be applicable to the debtor; and (ii) there is pending any proceeding in which the debtor may be found guilty of a felony of the kind described in section 522(q)(1)(A) or liable for a debt of the kind described in section 522(q)(1)(B).

2. Re vesting of Property of the Estate and Release of Liens

Except as otherwise provided in the Plan, any contract, instrument, or other agreement or document created in connection with the Plan, or the Confirmation Order, on the Effective Date, all Property of the Estate, wherever situated, shall be re vested in the Reorganized Debtor, and except as set forth herein shall be free and clear of all Claims, mortgages, deeds of trust, liens, security interests, encumbrances, and other interests of any Person, and the Reorganized Debtor may thereafter operate its business and may use, acquire, and dispose of property and compromise or settle any Claims without the supervision or approval of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of New Jersey, and the guidelines and requirements of the Office of the United States Trustee.

3. Votes Solicited in Good Faith

The Debtor has, and upon Confirmation of the Plan will be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the

Bankruptcy Code. The Debtor (and each of its affiliates, agents, directors, officers, members, employees, advisors, and attorneys if any) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and therefore has not been, and will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the distributions made under the Plan.

4. Administrative Claims Incurred After the Effective Date

Administrative Claims incurred by the Debtor after the Effective Date including (without limitation) Claims for Professionals' fees and expenses incurred after such date, may be paid by the Reorganized Debtor in the ordinary course of business and without application for or Bankruptcy Court approval.

T. MODIFICATION OR REVOCATION OF THE PLAN

Subject to the restrictions on modifications set forth in Bankruptcy Code Section 1127, the Debtor and the Reorganized Debtor reserve the right to alter, amend, or modify the Plan before or after the Effective Date. No alterations, amendments, or modifications may be made by any party except the Debtor or the Reorganized Debtor. If the Plan is modified by the Debtor or the Reorganized Debtor such entity will give notice of the amendment or modification to the U.S. Trustee. A hearing on such issues and any re solicitation of ballots may significantly delay Confirmation and, consequently, significantly delay distributions under the Plan.

The provisions of the Plan are not severable unless such severance is agreed to by the Debtor or the Reorganized Debtor and such severance would constitute a permissible modification of the Plan pursuant to Bankruptcy Code Section 1127.

U. SUMMARY OF CERTAIN OTHER PROVISIONS OF THE PLAN

1. Setoffs

The Debtor does not foresee setting off against the Allowed Claims of any creditor under the plan.

V. MEANS OF IMPLEMENTING THE PLAN

The funds required for confirmation and the payment of claims required to be paid on the Effective Date shall be provided from the generated business income and personal contributions by

Leonid Levitsky from his psychiatry practice operations as well as from funds accumulated on the Debtors DIP account. The secured claim of PNC Bank will be paid in full from the proceeds of the sale.

W. EVENTS OF DEFAULT

It shall be an event of default if the Reorganized Debtor fails to make any payment as provided in the Plan.

Upon written receipt from any creditor of notice of default, the Reorganized Debtor shall have a period of thirty (30) days from receipt of such notice to cure such default and during such thirty (30) day period, the creditors shall take no action to terminate this Plan. If such default is cured by the Reorganized Debtor within said thirty (30) day period, then the Plan shall continue in full force and effect. Notices of default shall be sent to the Reorganized Debtor and the Debtor's attorneys, Law Offices of Alla Kachan, P.C., by overnight and electronic mail to: Law Offices of Alla Kachan, P.C., 3099 Coney Island Ave, 3rd Floor, Brooklyn, NY 11235, alla@kachanlaw.com.

X. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed and consummated, the alternatives to the Plan include dismissal and resolution of the claims in an alternate venue.

CONCLUSION

The Debtor believes that its Plan of Reorganization will result in creditors receiving more than they would under a hypothetical Chapter 7 liquidation and believes that Confirmation of the Plan of Reorganization is in the best interests of creditors and interest holders of the Debtor.

Accordingly, the Debtor urges all Creditors to accept the Plan.

Dated: Brooklyn, New York
July 13, 2020

/s/ Leonid Levitsky
Leonid Levitsky President of Art of Decoration,
Inc.

/s/ Alla Kachan
Alla Kachan, Esq.
Law Offices of Alla Kachan, PC

3099 Coney Island Avenue, 3rd Floor
Brooklyn, NY 11235
Tel.: (718)-513-3145
Fax.: (347)-342-3156

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

IN RE:

Chapter 11

Art of Decoration, Inc.,

CASE NO.: 18-21351-SLM

Debtor.

SECOND AMENDED DEBTOR'S CHAPTER 11 PLAN

ALLA KACHAN, ESQ.
Attorney for Debtor Art of Decoration, Inc.,
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PLAN OF REORGANIZATION

The Debtor, by and through its attorney, Alla Kachan pursuant to 11 U.S.C. §1121 et seq., proposes the following Chapter 11 Plan.

Art of Decoration, Inc., (“Art of Decoration, Inc.”), the above named captioned debtor and debtor-in-possession (“Debtor”) hereby submits this Chapter 11 Plan of Reorganization (the “Plan”) pursuant to the provisions of Chapter 11 of the Bankruptcy Code. All Holders of Claims who are eligible to vote on the Plan are encouraged to read the Plan and the accompanying Disclosure Statement including all exhibits before voting to accept or reject the Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtor reserves the right to alter, amend, modify, revoke, or withdraw this Plan prior to its substantial consummation. The Debtor is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code.

Nothing contained herein shall constitute an offer, acceptance or legally binding obligation of the Debtor or any other party in interest and the Plan is subject to approval of the Bankruptcy court and other customary conditions.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ CAREFULLY THE DISCOLSURE STATEMENT (INCLUDING ALL EXHIBITS) AND THE PLAN, EACH IN ITS ENTIRETY, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I

DEFINED TERMS AND RULES OF INTERPRETATION

A. Rules of Construction

For purposes of this Plan, except as expressly provided herein or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article I of this Plan or any Exhibit. Any term used and not defined in this Plan but is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine.

B. Definition

1.1 Administrative Claim means as Allowed Claim for costs and expenses of

administration of the Chapter 11 Case under section 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code including: (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the Estate and operating business and Claims of governmental units for taxes (including tax audit Claims related to tax years commencing after the Petition Date, but excluding Claims relating to tax periods, or portions thereof, ending on or before the Petition Date); and (b) all other claims entitled to administrative claim status pursuant to a Final Order of the Bankruptcy Court and including Profession Fee Claims.

1.2 Administrative Bar Date means the last day in which creditors and parties-in-interest can file a proof of claim against the Debtor for administrative expenses.

1.3 Administrative Period means the period beginning on the Petition Date and ending on the Confirmation Date.

1.4 Adversary Proceeding means any and all actions previously commenced, or to be commenced, by the Debtor to recover money or property on behalf of the Debtor's Estate.

1.5 Allowed Claim means a Claim or any portion thereof (a) that has been allowed by a Final Order of the Bankruptcy Court (or such court as the Debtor and the Holder of any Claim agree may adjudicate the Claim and any objection thereto), (b) that either has been Scheduled as a liquidated, non-contingent, and undisputed in an amount greater than zero on the Scheduled, or, is the subject of a timely filed proof of claim as to which either (i) no objection to its allowance has been Filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code or by any order of the Bankruptcy Court or (ii) any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, or (c) that is expressly Allowed in a liquidated amount in the Plan; provided, however, that with respect to an Administrative Claim, "Allowed Claim" means an Administrative Claim as to which a timely written request for payment has been made in accordance with applicable bar dates for such requests set by the Bankruptcy Court (if such written request is required) in each case as to which the Debtor, or any other party in interest has not interposed a timely objection or has interposed a timely objection and such objection has been settled, waived through payment, or withdrawn, or has been denied by a Final Order.

1.6 Avoidance Actions means Causes of Action arising under Bankruptcy Code sections 502, 510, 541, 542, 544, 545, 547 through 551 and/or 553, or under related state or federal statutes and common law, including, without limitation, fraudulent transfer laws, whether

or not litigation is commenced to prosecute such Causes of Action; provided, however, that Avoidance Actions shall not be deemed to include those causes of action released, waived and/or discharged pursuant to this Plan or an order of the Bankruptcy Court.

1.7 Ballot means each of the ballot forms distributed to each Holder of a Claim entitled to vote to accept or reject this Plan.

1.8 Bankruptcy Code means title 11 of the United States Code, as now in effect or hereafter amended and as applicable to the Chapter 11 Case.

1.9 Bankruptcy Court means the United States Bankruptcy Court for the District of New Jersey or any other court with jurisdiction over the Chapter 11 Case.

1.10 Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereinafter amended.

1.11 Bar Date means the last day in which creditors and parties-in-interest can file a proof of claim against Debtor.

1.12 Cash means the legal tender of the United States of America and equivalents thereof, which may be conveyed by check or wire transfer.

1.13 Chapter 11 Case means the case under chapter 11 of the Bankruptcy Code commenced by the Debtor.

1.14 Claims means a "claim" as defined in section 101(5) of the Bankruptcy Code.

1.15 Claimant means the holder of a Claim.

1.16 Claims Objection Deadline means the last day for Filing objections to Claims, other than Administrative Claims and Professional Fee Claims, which day shall be (a) the later of (i) 60 days after the Effective Date and (ii) 60 days after the filing of a proof of claim for, or request for payment of, such Claim and (b) such other date as the Bankruptcy Court may order.

1.17 Class means a category of Holders of Claims, as described in Article II.

1.18 Closing Date means the date that Debtor completes all Plan payments and a final decree is entered by the Court.

1.19 Confirmation means entry of a Final Order confirming the Plan in accordance with Section 1129 of the Bankruptcy Code.

1.20 Confirmation Date means the date on which the Bankruptcy Court entered the Confirmation Order.

1.21 Confirmation Hearing means the hearing held before the Bankruptcy Court to

consider confirmation of this Plan pursuant to Section 1128(a) and 1129 of the Bankruptcy Code, as it may be adjourned or continued from time to time.

1.22 Confirmation Order means the order issued and entered confirming the Plan, pursuant to Section 1129 of the Bankruptcy Code.

1.23 Consummation of the Plan means the period by which the Debtor commence distribution under the Plan.

1.24 Creditor means all entities and/or individuals holding Claims against the Debtor's estate.

1.25 Cure Period means the period of thirty (30) days the Debtor has to cure any default in payments required under the Plan after a Claimant provide written notice to the Debtor and attorneys of the default.

1.26 Debtor means Art of Decoration, Inc.,

1.27 Disallowed Claim means a Claim, or any portion thereof, that (a) has been disallowed by the Final Order, (b) is scheduled at zero or as contingent, disputed or unliquidated and as to which no Proof of Claim has been filed by the Bar Date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy or any Final Order, or otherwise deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any final Order or under applicable law, or (c) is not Scheduled, and as to which (i) no Proof of Claim has been filed by the Bar Date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (ii) no request for payment of an Administrative Claim has been filed by the Administrative Claims Bar Date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law.

1.28 Disbursing Agent means the Post-Confirmation Debtor.

1.29 Disclosure Statement means the Disclosure Statement filed pursuant to Section 1125 of the Bankruptcy Code filed by the Debtor in connection with the Reorganization Case, and all Exhibits in connection therewith and any documents delivered in connection therewith, as the same may be amended from time to time by any duly authorized amendments or modification.

1.30 Disputed Claim means a Claim, or any portion thereof, designated as disputed, contingent or unliquidated in the Debtor's Schedules filed in connection with its Reorganization

Case, or any Claim against which an objection to the allowance thereof has been interposed and as to which such objection a Final Order has not been entered or any Claim against which the period for bringing such objection as provided hereunder has not expired.

1.31 Disputed Claim Amount means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) the liquidated amount set forth in the Proof of Claim relating to the Disputed Claim; (ii) an amount agreed to by the Debtor and the Holder of the Disputed Claim; or (iii) if a request for estimation is filed by any party, the amount at which the Claim is estimated by the Bankruptcy Court; (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to by the Debtor and the holder of the Disputed Claim or (ii) the amount estimated by the Bankruptcy Court with respect to the Disputed Claim; or (c) if the Claim was listed on the Schedules as unliquidated, contingent or disputed and no Proof of Claim was filed, or deemed to have been filed, by the Bar Date and the Claim has not been resolved by written agreement of the parties or an order of the Bankruptcy Court, zero.

1.32 Disputed Claim Holder means the holder of a Disputed Claim.

1.33 Distribution means any distribution pursuant to the Plan to the Holders of Allowed Claims.

1.34 Distribution Date means the date upon which initial distributions are made by the Disbursing Agent to Holders of Allowed Claims entitled to receive Distribution under the Plan, which shall be thirty (30) days after the Effective Date.

1.35 Effective Date means the day following the day upon which the order of Confirmation has become a Final Order.

1.36 Estate means the estate of the Debtor created under section 541 of the Bankruptcy Code.

1.37 Exhibit means the exhibits filed in support of this Plan or as an appendix to the Disclosure Statement.

1.38 Extension Period means the additional ninety (90) days that the Cure period shall be extended in the event of any act of terrorism or God which adversely impacts upon the ability of the Debtor or Reorganized Debtor to satisfy payment obligation under the Plan.

1.39 Final Order means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered in the Chapter 11 Case, the operation or effect of which

has not been stayed, reversed or amended and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was Filed or, if Filed, remains pending.

1.40 General Unsecured Claim means a Claim that is not an Administrative Claim, Priority Tax Claims, Priority Non-Tax Claim, Secured claim or Professional Fee Claim.

1.41 Governmental Unit means a “governmental unit” as defined in section 101(27) of the Bankruptcy Code.

1.42 Holder means the legal or beneficial holder of a Claim (and, if used in conjunction with a Class or type of Claim, means a holder of a Claim in such Class or of such type).

1.43 Impaired means a Claim or Class that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.44 Person means an individual, corporation, partnership, joint venture, trust, estate, unincorporated association, unincorporated organization, governmental entity, or political subdivision thereof, or any other entity.

1.45 Petition Date means June 4, 2018, the date of the commencement of the Debtor’s Reorganization Case.

1.46 Plan means this document entitled “Plan of Reorganization” including the exhibits and all supplements, appendices, and schedules, either in its current form or as the same may be altered, amended, or modified from time to time in accordance with the Bankruptcy Code and Bankruptcy Rules.

1.47 Plan Supplement means, if any, such exhibits, documents, lists or schedules not filed with the Plan but as may be filed in connection therewith within ten (10) days of the Confirmation Hearing.

1.48 Priority Non-Tax Claim means a Claim, other than an Administrative Claim or Priority Tax Claim, which is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.

1.49 Priority Tax Claim means a Claim of a Governmental Unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.50 Post-Confirmation Expenses means all reasonable fees, expenses and

disbursements of Professional Person incurred after the Confirmation Date.

1.51 Professional means (a) any professional employed in the Chapter 11 Case pursuant to sections 327, 328, or 1103 or otherwise of the Bankruptcy Code and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

1.52 Professional Fees means all allowances of compensation and reimbursement of expenses Allowed, or to be allowed pursuant to Section 330 or 331 of the Bankruptcy Code, to any Professional Person retained pursuant to Section 327 of the Bankruptcy Code.

1.53 Proof of Claim means the proof of claim that must be filed on or before the Bar Date or such other date as prescribed by the Bankruptcy Court.

1.54 Released Parties means any of the Debtor and its agents, advisors, attorneys, and representatives.

1.55 Schedules means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtor pursuant to Section 521 of the Bankruptcy Code and the Bankruptcy Rules, as such schedules have been or may be further modified, amended or supplemented in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

1.56 Tax Claim means all or that part of a Claim held by a Governmental Unit for a tax assessed or assessable against the Debtor, including income and employment taxes and any related penalties or interest.

1.57 Unclassified Claims means Administrative, Priority and Tax Claims.

1.58 Unimpaired means a Claim that is not impaired within the meaning of Section 1124 of the bankruptcy Code.

1.59 Unsecured Claims means any Claims which do not qualify as an Administrative Claim, Priority Claim or Secured Claim.

1.60 Unsecured Creditor means the holder of an Unsecured Claim.

1.61 Voting Deadline means the date and time, as fixed by an order of the Bankruptcy Court and set forth in the Disclosure Statement, by which all Ballots to accept or reject the Plan must be received in order to be counted.

C. Rules of Interpretation

The provisions of the Plan shall control over any descriptions contained in the Disclosure Statement. Where the Plan refers to “any contract, instrument, or other agreement or

document created in connection with the Plan,” the provisions of such contract, instrument, or other agreement or document shall control over any inconsistency with the terms of the Plan, and the Plan will be interpreted to avoid any inconsistencies with the provisions of such contract, instrument, or other agreement or document.

1. Without limiting foregoing, the rules of construction set forth in Bankruptcy Code §102 shall apply. The definitions and rules of construction contained herein do not apply to the Disclosure Statement or to the Exhibits to the Disclosure Statement except to the extent expressly so stated in the Disclosure Statement.

2. The words “herein,” “hereto,” “hereunder” and others of similar import refer to the Plan as a whole and not to any particular Article, Section, subsection or clause contained in the Plan.

3. Unless specified otherwise in a particular reference, all references in the Plan to Articles, Sections and Exhibits are references to Articles, Sections and Exhibits of or to the Plan.

4. Any reference in the Plan to an existing document or Exhibit means such document or Exhibit as it may have been amended, restated, modified, or supplemented as of the Effective Date.

5. Captions and reference to Articles and Sections in the Plan are inserted for convenience only and shall neither constitute a part of the Plan nor in any way affect the interpretation of any provisions hereof.

D. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

E. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) and except as otherwise provided herein or therein, the laws of the State of New Jersey shall govern the construction and implementation of the Plan and any agreements, documents and instruments executed in connection with the Plan.

ARTICLE II

CLASSIFICATION OF CLAIMS

A. Introduction:

All Claims except Administrative Claims, Priority Tax Claims and Bankruptcy Fees placed in the Classes set forth below. In accordance with Section 1123(a)(I) of the Bankruptcy Code, Priority Tax Claims have not been classified. A claim is placed in a particular Class only to the extent that the Claim falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim falls within the description of the other Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is Allowed in that Class and the Claim has not been paid, released or otherwise settled prior to the Effective Date.

Unclassified Claims

1. Administrative Claims
2. Priority Tax Claims.
3. Bankruptcy Fees.

B. Impaired Classes of Claims

Class I- (Secured Claims) –consists of the claim of PNC Bank, National Association in the amount of \$428,649.10.

Class II (Unsecured Claims) consists of the claims of general unsecured creditors in the Debtor's case totaling approximately \$6,460.49

ARTICLE III

TREATMENT OF CLAIM

A. Unclassified Claims

1. Administrative Claims

Administrative claims consist of the Debtor's duly retained professionals and any other administrative expenses allowed under Section 503 of the Bankruptcy Code. Administrative Claims will include the fees and expenses of the Debtor's Counsel, Alla Kachan, Esq., in the approximate amount of \$6,000.00 through confirmation which constitutes the full pre -petition retainer, as well as \$3,000.00 in accumulated post- petition legal fees.

Verta Consulting & Accounting, Inc. asserts a claim for the fees and expenses as accountants for the Debtor, in the total approximate amount of \$2,600.00. Verta Consulting &

Accounting, Inc. did not received an initial retainer fee prior to filing, thus the remaining post-petition fees owed to Verta Consulting & Accounting, Inc., are \$2,600.

The claims of Debtor's professionals shall be subject to final fee applications pursuant to Bankruptcy Code Section 330 and orders of the Court approving the fees and expenses as sought by this application. The Debtor estimates that the total administrative fees paid to professionals will equal \$11,600.00.

2. Priority Claims

Priority (unsecured) claim of Department of Treasury Internal Revenue Services in the amount of \$1,921.93. The claim will be paid in full on the effective date of the Plan.

1. Statutory Bankruptcy Fee

All Bankruptcy fees and charges assessed against the Debtor under 28 U.S. C. § 1930(a)(6) payable to the United States Trustee shall be paid in cash by the Effective Date, with any applicable interest thereon. Thereafter, such fees and any applicable interest shall continue to be paid by the Debtor until Debtor's case is closed by entry of a final decree, converted, or dismissed.

The Debtor shall pay all United States Trustee quarterly fees under 28 U.S.C. § 1930(a)(6), plus interest due and payable under 31 U.S.C. § 3717 on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtor's affairs, until the entry of a Final Decree, dismissal of the Chapter 11 Case or conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code. Additionally, the Debtor shall file quarterly Post Confirmation Reports and schedule quarterly post-confirmation status conferences with the Court.

B. Impaired Claims

Impaired Classes of Claims

Class I- (Secured Claims) –consists of the claim of secured creditor PNC Bank, National Association in the amount of \$428,649.10. The plan offers the secured creditor PNC Bank, National Association a payment in full, of the final payoff amounts of both loans, which are estimated to be \$423,846.39, from the sale of the property located at 46 Bergen Street, Enlewood NJ 07631, in full and final satisfaction of the loan. The referenced payoff amount is exclusive of a legal fee of the bank attorneys \$32,041.02, as well as a tax lien of \$3,500, to be paid from proceeds,

at closing. Thus, the total amount payable to PNC Bank at closing, is \$459,387.41. The estimated HUD Settlement Statement is attached herein as an exhibit.

Class I Claim is impaired as to the entitlement of interest over the original contract terms and is entitled to vote.

Class II- (unsecured claims) consists of the claims of general unsecured creditors in the Debtor's case totaling approximately \$6,460.49

The Debtor proposes to pay 100% dividend of their allowed claims in lump sum payment upon the Effective Date of this Plan. As a result, Class II Claims are impaired and are entitled to vote pursuant to §1126(f) of the Bankruptcy Code.

Members of Class II	Aggregate Dollar Amount of Claims in Class II	Plan Treatment of Class II
PNC Bank, N.A.	\$5,924.18	100% in lump sum payment upon the Effective date of the plan.
Internal Revenue Service	\$536.31	100% in lump sum payment upon the Effective date of the plan.

Classes I and II are impaired under the Plan.

ARTICLE IV

ACCEPTANCE OR REJECTION OF THE PLAN

A. Impaired Classes of Claims entitled to Vote

The Holders of Claims in Classes I and II are entitled to vote to accept or reject the Plan, and the votes of the Holders of claims in said Classes will be solicited.

B. Impaired Classes of Claims entitled to Vote

In accordance with Section 1126(c) of the Bankruptcy Code and except as provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class or Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of Allowed Claims of such Class that have timely and properly

voted.

ARTICLE V

MEANS FOR IMPLEMENTATION THE PLAN

A. Implementing Action

The Plan will be financed from the generated business income and personal contributions by Leonid Levitsky from his psychiatry practice operations. The secured claim of PNC Bank will be paid in full from the proceeds of the sale.

Following the Effective Date, or as soon thereafter, the following shall occur to implement the Plan (i) all actions, documents and agreements necessary to implement the Plan shall be taken or executed; and (ii) the Disbursing Agent shall make all Distributions required to be made to Holders of Allowed claims pursuant to the Plan

Post-Effective Date Costs

From and after the Effective Date and without further order of the Bankruptcy Court, the Debtor shall pay the fees and expenses of its Professionals in the ordinary course of business including, without limitations, those fees and expenses incurred in connection with the implementation and consummation of the Plan.

B. Preservation of Causes of Action

In accordance with Section 1123(b)(3) of the Bankruptcy Code and except as otherwise provided in an order of the Bankruptcy Court the Debtor and its Estate shall retain all of the causes of action arising under applicable state laws, including, without limitation, the Causes of Action, Avoidance Actions, if any, and all other causes of action of a trustee and debtor in possession under the Bankruptcy Code.

ARTICLE VI

DISTRIBUTION UNDER THE PLAN

A. The Disbursing Agent(s)

The reorganized Debtor shall act as Disbursing Agent(s) under the Plan, subject to the terms and provisions of the Plan. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy court or required by the Bankruptcy Code or the Bankruptcy Rules.

B. Cash Payments

Cash payments made pursuant to the Plan will be made on the Effective Date in U.S. Dollars by checks drawn on a banking institution that is an authorized depository in the District of New Jersey selected by the Debtor or by wire transfer from a banking institution that is an authorized depository in the District of New Jersey at the option of the Debtor.

C. Transmittal of Distribution

All distributions shall be deemed made at the time such distribution is deposited in the United States mail, postage prepaid. Except as otherwise agreed with the holder of an Allowed Claim or Allowed Interest such distribution shall be distributed by mail to (i) the latest mailing address filed of record for the party entitled thereto or to a Holder of a power of attorney designated by such Holder to receive such distributions or (ii) if no such mailing address has been so filed, the mailing address reflected upon the filed Schedules of Assets and Liabilities or in the Debtor's books and records.

D. Undeliverable Distribution

If any distribution is returned to a disbursing Agent as undeliverable or is otherwise unclaimed, no further distributions shall be made to the Holder of the Allowed Claim or Allowed Interest on which such distribution was made unless and until the Debtor is notified in writing of such Holder's then-current address, at which time all missed Distributions shall be made to the Holder without interest. Undeliverable distributions shall remain in the possession of the Debtor until such time as a distribution becomes deliverable or is deemed canceled (as hereinafter provided). Any unclaimed distribution held by Debtor shall be accounted for separately, but the Disbursing Agent shall be under no duty to invest any such unclaimed distribution in any manner. Any Holder of an Allowed Claim or Allowed Interest that does not present a claim for an undeliverable distribution within one hundred eighty (180) days after the date upon which a distribution is first made available to such Holder shall have its rights to such distribution discharged after service by the Debtor with a waiver notice detailing the creditor(s) name and distribution amount, and shall be forever barred from asserting any such Claim or Interest against the Debtor or its property or against any other Person, including the Debtor. All unclaimed or undistributed distributions shall, pursuant to Bankruptcy Code Section 347(b) be the property of the Debtor and shall be treated as determined by the Debtor in its sole and absolute discretion.

E. Interest on Claims

Post-petition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim unless otherwise specifically provided for in the Confirmation Order, or required by applicable bankruptcy law.

F. Withholding and Reporting Requirements

In accordance with Section 346 of the Bankruptcy Code and in connection with the Plan and all distributions hereunder, the Disbursing Agent shall, to the extent applicable, comply with all withholding and reporting requirements imposed by any federal, state, provincial, local or foreign taxing authority. The Disbursing Agent shall be authorized to take any and all actions necessary and appropriate to comply with such requirements. As a condition of making any distribution under Plan, the Disbursing Agent may require the Holder of an Allowed Claim to provide such Holder's taxpayer identification number, and such other information, certification or form as necessary to comply with applicable tax reporting and withholding laws. Notwithstanding any other provision of the Plan, each Person receiving a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of tax obligations on account of any such Distribution.

ARTICLE VII

CONFIRMATION AND CONSUMMATION OF THE PLAN

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in writing: (i) The Confirmation Order shall have been entered and become a Final Order and shall provide that the Debtor is authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the agreements or documents created in connection with the Plan or effectuate advance or further the purposes thereof; (ii) All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed; and (iii) The Debtor shall have sufficient Cash to enable all required payments necessary to Confirmation to be made.

If the Effective Date does not timely occur, the Debtor reserve all rights to seek an order from the Bankruptcy Court directing that the Confirmation Order be vacated, that the Plan be null and void in all respects, and/or that any settlement of Claims provided for in the Plan be null and void. If the Bankruptcy Court enters an order vacating the Confirmation Order, the time within which the Debtor may assume and assign, or reject all executory contracts and unexpired leases not previously assumed, assumed and assigned, or rejected, shall be extended

for a period of 30 days after the date the Confirmation Order is vacated, without prejudice to further extensions.

ARTICLE VIII

PROCEDURES FOR RESOLVING DISPUTED CLAIMS

A. Time Limit for Objections to Claims

Objections to Claims shall be filed by the Debtor with the Court and served upon each Holder of each of the Claims to which objections are made, not later than sixty (60) days subsequent to the Confirmation Date or with such other time period as may be fixed by the Court.

B. Resolution of Disputed Claims

Unless otherwise ordered by the Court, the Debtor shall litigate to judgment, settle or withdraw objections to Disputed Claims, in its sole discretions, without notice to any party in interest.

Notwithstanding any other provision of the Plan, no Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to the Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtor on account of a Cause of Action, no Distributions shall be made with respect to all or any portion of such Claim unless and until such Claim and liability have been settled or withdrawn or have been determined by Final Order of the Bankruptcy Court or such other court having jurisdiction over the matter.

C. Distribution after Allowance

Distributions to the Holder of a disputed claim, to the extent that it ultimately becomes an Allowed claim, will be made in accordance with provisions of the Plan that govern distributions to Holders in that Class.

D. Estimation

The Debtor may, at any time, request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtor previously objected to such Claim. The Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such

objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtor may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. On and after the Effective Date, Claims that have been estimated may be compromised, settled, withdrawn, or otherwise resolved subsequently, without further order of the Bankruptcy Court.

ARTICLE IX

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejected Contracts and Leases

Except as otherwise provided in the Confirmation Order or the Plan, the Confirmation Order shall constitute an order under Section 365 of the Bankruptcy Code rejecting all pre-petition executor contracts and unexpired leases to which the Debtor is a party, to the extent such contracts or leases are executor contracts or unexpired leases, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by the Debtor, (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date, or (c) is the subject of a pending motion to assume or reject on the Confirmation Date.

B. Bar to Rejection Damages

If the rejection of an executor contract or unexpired lease gives rise to a Claim by the other party or parties to the contract or lease, the Claim shall be forever barred and shall not be enforceable against the Post-Confirmation Debtor, unless a Proof of Claim is filed and served on the Post-Confirmation Debtor within 30 days after service of a notice of the Effective Date or such other date as is prescribed by the Bankruptcy Court.

ARTICLE XI

DEFAULT

The Debtor shall be deemed in default if it fails to make timely payments to any creditors as provided for in the Plan and the Debtor and each creditor shall abide by the following:

1. Upon written receipt from any creditor of notice of default relating to payments, the Debtor shall have a period of thirty (30) days from receipt of such notice to cure such default, during such 30-day period, the creditors shall take no action to terminate the Debtor's Plan. If such default is cured by the Debtor within the 30-day period, the Plan shall continue in full force and effect. Any notices of default under the Plan shall be served upon the Debtor and Debtor's attorney.

2. If full payment of the default amount is not paid by the Debtor within thirty (30) days of such demand, the Internal Revenue Service and/or New Jersey State Department of Taxation and Finance may collect any unpaid liabilities through governing administrative collection provisions, and the automatic stay of 11 U.S.C. §363(a) is lifted for this purpose without further order of the court.

3. If Debtor fails to make any post-confirmation deposits, fails to pay any post-confirmation tax liability or fails to file post-confirmation tax returns by the due date of the tax return, then after 5-days written notice of default to Debtor and Debtor's counsel and Debtor's failure to cure, the United States and/or the New Jersey Division of Taxation and Finance may declare a default of the Plan.

ARTICLE XII

DISCHARGE AND INJUNCTION

A. Discharge of the Debtor

Pursuant to Section 1141(d)(2) of the Bankruptcy Code, the Debtor will not be discharged from any debt excepted from discharge under section 523 of this title.

The Debtor is entitled to a discharge of any portion of the unsecured deficiency claim remaining over what is offered to the creditor in the plan, thus notwithstanding the provisions of 1141(d)(3)(A), the Debtor is seeking a discharge of the remaining deficiency as an unsecured debt.

B. Release by the Debtor

To the extent permitted by Section 1125(e) of the Bankruptcy Code on the Effective Date, the Debtor and its Estate shall be released unconditionally, and hereby deemed to forever release unconditionally, (i) Debtor's Professionals from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtor under the Plan, and

the contracts and other agreements delivered under the Plan), whether liquidated or unliquidated, fixed or contingent, matured or un matured, known or unknown, foreseen or unforeseen, directly or derivatively, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the Chapter 11 Case, the Plan or the Disclosure Statement provided, however, that notwithstanding the foregoing nothing contained herein is intended to or shall operate as a release of any claims for fraud, willful misconduct or gross negligence.

C. Injunction

Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Effective Date all Persons who have held, hold or may hold Claims against the Debtor are permanently enjoined from taking any of the following actions against the Debtor, its Estate, or any of their property on account of any such Claims: (1) commencing or continuing, in any manner or in any place, any action or other proceeding; (2) enforcing, attaching, collecting or recovering in any manner, any judgment, award, decree or order; (3) creating, perfecting or enforcing any lien or encumbrance; (4) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor unless authorized under the Plan; (5) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that nothing contained in the Plan shall preclude such Persons from exercising their rights pursuant to an d consistent with the terms of the Plan or the Confirmation Order.

D. Limitation of Liability

Except as otherwise provided in the Plan, the Debtor and its Professionals and any of such parties' successors and assigns, shall not have or incur any claim, action, proceeding, Cause of Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment or Claim (as defined) in Section 101(4) of the Bankruptcy Code), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law equity or otherwise to one another or to any Holder of a Claim, or any other party in interest, or any of their respective

agents, employees, representatives, financial advisors, attorneys, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Debtor, the Chapter 11 Case, negotiation and filing of the Plan or any prior plans, filing Chapter 11 Case, the pursuit of confirmation of the Plan or any prior plans, the consummation of the Plan, the administration of the Plan or the property to be liquidated other than resulting from and/or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Nothing herein shall abrogate the requirements of any applicable professional disciplinary rules.

E. Terms of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Case under Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date unless otherwise provided in this Plan. Upon the Effective Date, the injunction provided in Article XI(D) shall apply.

ARTICLE XIII

RETENTION OF JURISDICTION

The Court shall retain and have exclusive jurisdiction over the Chapter 11 Case for the following purposes:

1. to determine any and all objections to the allowance of claims;
2. to determine any and all pending applications for the rejection or assumption of executor contracts or unexpired leases to which the Debtor is a party or with respect to which it may be liable, and to hear and determine, and if not be to liquidate, any and all Claims arising therefrom;
3. to determine any and all applications, adversary proceedings, and contested or litigated matters, to set aside liens or encumbrances and to recover any preferences, transfers, assets or damages to which the Debtor may be entitled under applicable provisions of the Bankruptcy Code or other federal, state or local law;
4. to consider any modifications of the Plan, any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Code, including the Confirmation Order, to the extent authorized by the Bankruptcy Code or other applicable law;

5. to determine all controversies, suits and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan, including disputes between or among classes of claimants under the Plan regarding allocations or payments of distribution hereunder;

6. to consider and act on the compromise and settlement of any claim against or cause of action by or against the Debtor or the Debtor's estate;

7. to determine such other matters which may be set forth in the Confirmation Order or which may arise in connection with the Plan, including, but not limited to, extending and time limits provided in the Plan and to implement the transfer of the fee simple interest in the Premises to Debtor;

8. to fix the allowance of compensation of professionals;

9. Enforce all orders previously entered by the Bankruptcy Court; and

10. Enter a Final Decree closing the Chapter 11 Case.

ARTICLE XIV

GENERAL PROVISIONS

A. Modification and Amendments

The Debtor may alter, amend or modify the Plan or any Exhibits under Section 1127(a) of the Bankruptcy code at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of the Plan as defined in Section 1101(2) of the Bankruptcy Code, the Debtor may, under Section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

B. Severability

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

C. Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtor, all present and former Holders of Claims and their respective successors and assigns.

D. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of that Person.

E. Final Decree

Pursuant to Local Bankruptcy Rule 3022-1, within fourteen (14) days following the substantial administration of the estate, the Debtor or the Reorganized Debtor shall file, on notice to the United States Trustee, an application and a proposed order for a final decree closing this case.

F. Post-Confirmation Report

The Debtor shall be required to file quarterly post-confirmation status reports until the case is closed, converted, or dismissed whichever happens earlier.

G. Notice and Service of Documents

Any notice, request or demand required or permitted to be made or provided to or upon the Debtor under the Plan shall be (a) in writing, (b) served by (i) hand delivery, (ii) overnight delivery service, (iii) first class mail, (iv) email or (v) facsimile transmission, (c) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed and (d) addressed as follows:

Law Offices of Alla Kachan, P.C.
3099 Coney Island Avenue, 3rd Floor
Brooklyn, NY 11235
Phone: (718) 513-3145
Fax:(347)-342-3156
alla@kachanlaw.com

H. Plan Exhibits

Any and all Plan Exhibits, or other lists or schedules not filed with the Plan shall be filed with the Clerk of the Bankruptcy Court at least three business Days prior to the date of the commencement of the Confirmation Hearing. Upon filing, those documents may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims

may obtain a copy of any document upon request to the Debtor.

I. Filing of Additional Documents

On or before substantial consummation of this Plan, the Debtor shall file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

Dated: Brooklyn, New York
July 13, 2020

/s/ Leonid Levitsky
Leonid Levitsky President of Art of Decoration,
Inc.

/s/ Alla Kachan
Alla Kachan, Esq.
Law Offices of Alla Kachan, PC
3099 Coney Island Avenue, 3rd Floor
Brooklyn, NY 11235
Tel.: (718)-513-3145
Fax.: (347)-342-3156

EXHIBIT B

LAW OFFICES OF ALLA KACHAN, P.C.
3099 CONEY ISLAND AVENUE, 3RD FLOOR
BROOKLYN, NEW YORK 11235
TELEPHONE (718) 513-3145
FACSIMILE (347)342-3156
E MAIL: alla@kachanlaw.com

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

-----X
In re:

Case No.: 18-21351-SLM

Art of Decoration, Inc.,

Chapter 11

Debtor.

-----X

**CLASS [] | BALLOT FOR ACCEPTING OR REJECTING
PLAN OF REORGANIZATION**

Art of Decoration, Inc. filed the Second Amended Chapter 11 plan of reorganization dated July 13, 2020 (the "Plan") for the Debtor in this case. The Court has [conditionally] approved a Disclosure statement with respect to the Plan (the "Disclosure Statement"). The Disclosure Statement provides information to assist you in deciding how to vote your ballot. If you do not have a Disclosure Statement, you may obtain a copy from:

LAW OFFICES OF ALLA KACHAN, P.C.
3099 CONEY ISLAND AVENUE, 3RD FLOOR
BROOKLYN, NEW YORK 11235
TELEPHONE (718) 513-3145

Court approval of the disclosure statement does not indicate approval of the Plan by the Court.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your claim has been placed in Class [] under the Plan. If you hold claims or equity interests in more than one class, you will receive a ballot for each class in which you are entitled to vote.

If your ballot is not received by

LAW OFFICES OF ALLA KACHAN, P.C.
3099 CONEY ISLAND AVENUE, 3RD FLOOR
BROOKLYN, NEW YORK 11235
TELEPHONE (718) 513-3145

On or before _____, and such deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan.

If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

ACCEPTANCE OR REJECTION OF THE PLAN

The undersigned, the holder of a Class [] claim against the Debtors in the unpaid amount of _____ Dollars (\$ _____)

[] ACCEPTS THE PLAN

[] REJECTS THE PLAN

Dated: _____

Print or Type Name: _____

Signature: _____

Title (if corporation or partnership): _____

Address: _____

RETURN THIS BALLOT TO:

LAW OFFICES OF ALLA KACHAN, P.C.
3099 CONEY ISLAND AVENUE, 3RD FLOOR
BROOKLYN, NEW YORK 11235
TELEPHONE (718) 513-3145

EXHIBIT C

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re THE ART OF DECORATION,
Debtor

Case No. 18-21351-JKS

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: MAY, 2020

Date filed: 06/05/2020

Line of Business: DESIGN SERVICE

NAISC Code: 811420

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Leonid Levitsky
Original Signature of Responsible Party

Leonid Levitsky
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

	TOTAL INCOME	\$ <u>2,868.70</u>
SUMMARY OF CASH ON HAND		
Cash on Hand at Start of Month	\$	34,166.84
Cash on Hand at End of Month	\$	<u>21,884.92</u>
PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU	TOTAL	\$ <u>21,884.92</u>

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 14,458.81

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH <i>(TOTAL FROM EXHIBIT B)</i>	\$	<u>2,868.70</u>
EXPENSES FOR THE MONTH <i>(TOTAL FROM EXHIBIT C)</i>	\$	<u>14,458.81</u>
<i>(Subtract Line C from Line B)</i>	CASH PROFIT FOR THE MONTH	\$ <u>-11,590.11</u>

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ _____

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ _____

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?	1
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?	1

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?	\$ 0.00
--	---------

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$ 15,418.82
--	--------------

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?	\$ 600.00
--	-----------

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$ 6,036.00
--	-------------

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ 30,000.00	\$ 2,868.70	\$ 27,131.30
EXPENSES	\$ 25,000.00	\$ 14,458.81	\$ 10,541.19
CASH PROFIT	\$ 5,000.00	\$ -11,590.11	\$ -16,590.11

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ 30,000.00
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ 25,000.00
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ 5,000.00

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

5:40 PM

THE ART OF DECORATION INC

Profit & Loss

06/04/20

May 2020

Accrual Basis

	<u>May 20</u>
Ordinary Income/Expense	
Income	
43200 · Design Income	2,868.70
Total Income	<u>2,868.70</u>
Cost of Goods Sold	
53500 · Subcontracted Services	1,006.00
53600 · Cost of Goods Sold	7,685.91
Total COGS	<u>8,691.91</u>
Gross Profit	-5,823.21
Expense	
60200 · Automobile Expense	
Gasoline	237.28
Lease	545.00
Registration	25.00
Tolls & Parking	280.00
Total 60200 · Automobile Expense	<u>1,087.28</u>
61700 · Computer and Internet Expenses	190.36
62150 · Corporation Tax	850.00
63300 · Insurance Expense	
Business	155.99
Health Insurance	1,390.48
Life Insurance	119.44
Total 63300 · Insurance Expense	<u>1,665.91</u>
64300 · Meals and Entertainment	461.41
64900 · Office Supplies	1,063.08
67800 · Supplies	90.66
68100 · Telephone Expense	86.00
68600 · Utilities	272.20
Total Expense	<u>6,766.90</u>
Net Ordinary Income	<u>-11,590.11</u>
Net Income	<u><u>-11,590.11</u></u>

5:41 PM
06/04/20
Accrual Basis

THE ART OF DECORATION INC
Balance Sheet
As of May 31, 2020

	<u>May 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
10100 · TD Bank	21,884.92
Total Checking/Savings	<u>21,884.92</u>
Total Current Assets	<u>21,884.92</u>
TOTAL ASSETS	<u><u>21,884.92</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
13400 · TJX Card	4,909.07
13500 · PNC Card	5,225.43
Total Credit Cards	<u>10,134.50</u>
Other Current Liabilities	
24110 · Federal Payroll Liability	60.03
24115 · Futa Liability	36.72
24120 · State Payroll Liability	9.97
24150 · Payroll Clearing	5,028.14
Total Other Current Liabilities	<u>5,134.86</u>
Total Current Liabilities	<u>15,269.36</u>
Total Liabilities	15,269.36
Equity	
30000 · Opening Balance Equity	-5,210.15
31400 · Shareholder Distributions	-3,839.08
32000 · Retained Earnings	32,808.76
32120 · Owner Draw	-34,667.82
32130 · Owner Contribution	2,362.69
Net Income	15,161.26
Total Equity	<u>6,815.56</u>
TOTAL LIABILITIES & EQUITY	<u><u>21,884.92</u></u>



T STATEMENT OF ACCOUNT

ART OF DECORATION INC
 DIP CASE 18-21351 DIST NJ
 46 BERGEN ST
 ENGLEWOOD NJ 07631

Page: 1 of 4
 Statement Period: May 01 2020-May 31 2020
 Cust Ref #: ###
 Primary Account #: 4318

Chapter 11 Checking

ART OF DECORATION INC
 DIP CASE 18-21351 DIST NJ

Account 4318

ACCOUNT SUMMARY

Beginning Balance	34,166.84	Average Collected Balance	27,010.78
Deposits	2,752.37	Interest Earned This Period	0.00
Electronic Deposits	116.33	Interest Paid Year-to-Date	0.00
Checks Paid	4,570.71	Annual Percentage Yield Earned	0.00%
Electronic Payments	10,579.91	Days in Period	31
Ending Balance	21,884.92		

DAILY ACCOUNT ACTIVITY

Deposits

POSTING DATE	DESCRIPTION	AMOUNT
05/07	DEPOSIT	2,752.37
Subtotal:		2,752.37

Electronic Deposits

POSTING DATE	DESCRIPTION	AMOUNT
05/15	ACH DEPOSIT, PAYPAL TRANSFER [REDACTED] 5065	116.33
Subtotal:		116.33

Checks Paid

DATE	SERIAL NO.	AMOUNT	DATE	SERIAL NO.	AMOUNT
05/04	1326	1,006.00	05/19	1336	179.71
05/07	1327	500.00	05/19	1337	155.99
05/15	1334*	132.82	05/14	1338	2,265.00
05/15	1335	139.38	05/22	1340*	191.81
Subtotal:					4,570.71

Electronic Payments

POSTING DATE	DESCRIPTION	AMOUNT
05/01	TD BILL PAY SERV, LEXUS FIN ONLINE PMT [REDACTED] 8934POS	545.00
05/01	DEBIT CARD PURCHASE, AUT 043020 VISA DDA PUR TARGET [REDACTED] 2633 EDGEWATER * NJ	90.66
05/04	DEBIT CARD PURCHASE, AUT 050120 VISA DDA PUR RM COCO [REDACTED] 4640 CPE GIRARDEAU * MO	1,742.49
05/05	ELECTRONIC PMT-WEB, PAYPAL INST XFER APPLE INC	116.33

Call 1-800-937-2000 for 24-hour Bank-by-Phone services or connect to www.tdbank.com

How to Balance your Account

Begin by adjusting your account register as follows:

- Subtract any services charges shown on this statement.
- Subtract any automatic payments, transfers or other electronic withdrawals not previously recorded.
- Add any interest earned if you have an interest-bearing account.
- Add any automatic deposit or overdraft line of credit.
- Review all withdrawals shown on this statement and check them off in your account register.
- Follow instructions 2-5 to verify your ending account balance.

1. Your ending balance shown on this statement is;
2. List below the amount of deposits or credit transfers which do not appear on this statement. Total the deposits and enter on Line 2.
3. Subtotal by adding lines 1 and 2.
4. List below the total amount of withdrawals that do not appear on this statement. Total the withdrawals and enter on Line 4.
5. Subtract Line 4 from 3. This adjusted balance should equal your account balance.

①	Ending Balance	21,884.92
②	Total Deposits	+
③	Sub Total	
④	Total Withdrawals	-
⑤	Adjusted Balance	

DEPOSITS NOT ON STATEMENT	DOLLARS	CENTS
Total Deposits		②

WITHDRAWALS NOT ON STATEMENT	DOLLARS	CENTS
Total Withdrawals		④

WITHDRAWALS NOT ON STATEMENT	DOLLARS	CENTS
Total Withdrawals		④

FOR CONSUMER ACCOUNTS ONLY — IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:

If you need information about an electronic fund transfer or if you believe there is an error on your bank statement or receipt relating to an electronic fund transfer, telephone the bank immediately at the phone number listed on the front of your statement or write to:

TD Bank, N.A., Deposit Operations Dept, P.O. Box 1377, Lewiston, Maine 04243-1377

We must hear from you no later than sixty (60) calendar days after we sent you the first statement upon which the error or problem first appeared. When contacting the Bank, please explain as clearly as you can why you believe there is an error or why more information is needed. Please include:

- Your name and account number.
- A description of the error or transaction you are unsure about.
- The dollar amount and date of the suspected error.

When making a verbal inquiry, the Bank may ask that you send us your complaint in writing within ten (10) business days after the first telephone call.

We will investigate your complaint and will correct any error promptly. If we take more than ten (10) business days to do this, we will credit your account for the amount you think is in error, so that you have the use of the money during the time it takes to complete our investigation.

INTEREST NOTICE

Total interest credited by the Bank to you this year will be reported by the Bank to the Internal Revenue Service and State tax authorities. The amount to be reported will be reported separately to you by the Bank.

FOR CONSUMER LOAN ACCOUNTS ONLY — BILLING RIGHTS SUMMARY

In case of Errors or Questions About Your Bill:

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at P.O. Box 1377, Lewiston, Maine 04243-1377 as soon as possible. We must hear from you no later than sixty (60) days after we sent you the FIRST bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

FINANCE CHARGES: Although the Bank uses the Daily Balance method to calculate the finance charge on your Moneyline/Overdraft Protection account (the term "ODP" or "OD" refers to Overdraft Protection), the Bank discloses the Average Daily Balance on the periodic statement as an easier method for you to calculate the finance charge. The finance charge begins to accrue on the date advances and other debits are posted to your account and will continue until the balance has been paid in full. To compute the finance charge, multiply the Average Daily Balance times the Days In Period times the Daily Periodic Rate (as listed in the Account Summary section on the front of the statement). The Average Daily Balance is calculated by adding the balance for each day of the billing cycle, then dividing the total balance by the number of Days in the Billing Cycle. The daily balance is the balance for the day after advances have been added and payments or credits have been subtracted plus or minus any other adjustments that might have occurred that day. There is no grace period during which no finance charge accrues. Finance charge adjustments are included in your total finance charge.



Bank

America's Most Convenient Bank®

STATEMENT OF ACCOUNT

ART OF DECORATION INC
DIP CASE 18-21351 DIST NJ

Page: 3 of 4
Statement Period: May 01 2020-May 31 2020
Cust Ref #: ###
Primary Account #: 4318

DAILY ACCOUNT ACTIVITY

Electronic Payments (continued)

POSTING DATE	DESCRIPTION	AMOUNT
05/05	DEBIT CARD PURCHASE, AUT 050320 VISA DDA PUR EXXONMOBIL 41469 EDGEWATER * NJ 2832	24.05
05/06	DEBIT CARD PURCHASE, AUT 050520 VISA DDA PUR ANGEL S DISTRIBUTING INC 412 767 1000 * PA 4640	382.30
05/06	DEBIT CARD PAYMENT, AUT 050520 VISA DDA PUR TMOBILE AUTO PAY 800 937 8997 * WA 2832	86.00
05/06	DEBIT CARD PURCHASE, AUT 050420 VISA DDA PUR EXXONMOBIL 47981469 EDGEWATER * NJ 2832	73.27
05/06	DEBIT CARD PURCHASE, AUT 050520 VISA DDA PUR LUKOIL 57727 EDGEWATER * NJ 4640	25.41
05/07	ELECTRONIC PMT-WEB, PAYPAL TRANSFER 4RG22AWLUPGCS	500.00
05/07	ELECTRONIC PMT-WEB, PAYPAL INST XFER RELECTRIC EBAY	266.56
05/08	DEBIT CARD PURCHASE, AUT 050620 VISA DDA PUR JERRY S GOURMET AND MO ENGLEWOOD * NJ 4640	100.76
05/08	DEBIT CARD PURCHASE, AUT 050720 VISA DDA PUR NJ MOTOR VEHICLE PAY EGOV COM * NJ 4640	25.00
05/11	DEBIT CARD PAYMENT, AUT 050820 VISA DDA PUR E Z PASSNY REBILL 800 333 8665 * NY 4640	140.00
05/11	DEBIT CARD PURCHASE, AUT 050820 VISA DDA PUR JERRY S GOURMET AND MO ENGLEWOOD * NJ 4640	81.40
05/14	DEBIT CARD PURCHASE, AUT 051320 VISA DDA PUR SR FOUNDRY LIGHTING FOUNDRYLIGHTI * NY 4640	1,103.20
05/15	ELECTRONIC PMT-WEB, PAYPAL INST XFER OTHERWORLDC	180.19
05/15	DEBIT CARD PURCHASE, AUT 051320 VISA DDA PUR EXXONMOBIL 4933 ENGLEWOOD CLI * NJ 4640	29.05
05/18	ACH DEBIT, AFFILIATED PHYS COLLECTION	1,390.48
05/18	CCD DEBIT, NJ WEB PMT 04110 NJWEB041 4353	350.00
05/18	DEBIT CARD PAYMENT, AUT 051420 VISA DDA PUR ALBANY FOAM SUPPLY 000 0000000 * NY 4640	126.78
05/18	DEBIT CARD PURCHASE, AUT 051620 VISA DDA PUR METROPOLITAN PLANT EXCHA FORT LEE * NJ 4640	86.33
05/19	ACH DEBIT, ALLSTATE LIFE NY CK4INSPYM 2051	72.63

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Bank

America's Most Convenient Bank®

STATEMENT OF ACCOUNT

ART OF DECORATION INC
DIP CASE 18-21351 DIST NJ

Page: 4 of 4
Statement Period: May 01 2020-May 31 2020
Cust Ref #: [REDACTED]-###
Primary Account #: [REDACTED]4318

DAILY ACCOUNT ACTIVITY

Electronic Payments (continued)

POSTING DATE	DESCRIPTION	AMOUNT
05/19	ACH DEBIT, ALLSTATE LIFE NY CK4INSPY [REDACTED] 1971	46.81
05/20	DEBIT CARD PURCHASE, AUT 051820 VISA DDA PUR JERRY S GOURMET AND MO ENGLEWOOD * NJ [REDACTED] 4640	192.92
05/21	INTL DEBIT CARD PUR, AUT 052020 INTL DDA PUR SP FAZYWALLZ MONTREAL CAN [REDACTED] 4640	1,800.00
05/21	CCD DEBIT, NJ WEB PMT 04110 NJWEB04 [REDACTED] 4277	500.00
05/21	DEBIT CARD PURCHASE, AUT 052120 VISA DDA PUR CIRCA LIGHTING 99 912 447 6670 * GA [REDACTED] 4640	266.14
05/26	DEBIT CARD PURCHASE, AUT 052220 VISA DDA PUR LUKOIL 57727 EDGEWATER * NJ [REDACTED] 2832	55.98
05/28	DEBIT CARD PURCHASE, AUT 052620 VISA DDA PUR EXXONMOB [REDACTED] 9266 ENGLEWOOD * NJ [REDACTED] 4640	29.52
05/29	DEBIT CARD PAYMENT, AUT 052820 VISA DDA PUR E Z PASSNY REBILL 800 333 8855 * NY [REDACTED] 4640	140.00
05/29	DEBIT CARD PAYMENT, AUT 052720 VISA DDA PUR ADOBE PHOTOGRAPHY PLAN 408 536 6000 * CA [REDACTED] 2832	10.65
	Subtotal:	10,579.91

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
04/30	34,166.84	05/15	27,480.67
05/01	33,531.18	05/18	25,527.08
05/04	30,782.69	05/19	25,071.94
05/05	30,642.31	05/20	24,879.02
05/06	30,075.33	05/21	22,312.88
05/07	31,561.14	05/22	22,121.07
05/08	31,435.38	05/26	22,065.09
05/11	31,213.98	05/28	22,035.57
05/14	27,845.78	05/29	21,884.92

Call 1-800-937-2000 for 24-hour Bank-by-Phone services or connect to www.tdbank.com

EXHIBIT D

Settlement Statement

File Number: C5093-46

Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.		Vested Land Services LLC 165 Passaic Avenue, Suite 101 Fairfield, New Jersey 07004 973-808-6130
Name & Address of Purchaser/Borrower: Livinglyush LLC 200 Winston Drive, Unit 2520 Cliffside Park, NJ 07010	Name & Address of Seller: Leonid Levitsky 46 Bergen Street Englewood, NJ 07631	Name & Address of Lender: To be advised Loan Number:
Property Location: 46 Bergen Street, Units C-1 and C-2 Englewood, NJ 07631 Block: 1208 Lot: 6.01 and 6.02	Settlement Agent: Vested Land Services LLC 165 Passaic Avenue, Suite 101 Fairfield, NJ 07004 Place of Settlement:	Settlement Date: Disbursement Date:

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due from Borrower		400. Gross Amount Due to Seller	
101. Contract sales price	\$525,000.00	401. Contract sales price	\$525,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	\$4,328.00	403.	
104.		404.	
105. Payoff Loan No 6003048113185272		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due from Borrower	\$529,328.00	420. Gross Amount Due to Seller	\$525,000.00
200. Amounts Paid by or in Behalf of Borrower		500. Reductions In Amount Due to Seller	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	\$393,750.00	502. Settlement charges to seller (line 1400)	\$4,415.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan PNC Bank	\$307,044.50
205.		505. Payoff of second mortgage loan PNC Bank	\$116,801.89
206.		506. Condo Lien	\$45,000.00
207.		507. Tax Lien	\$3,500.00
208.		508. Legal Fee - Bankruptcy	\$32,041.02
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid by/for Borrower	\$393,750.00	520. Total Reduction Amount Due Seller	\$508,802.41
300. Cash at Settlement from/to Borrower		600. Cash at Settlement to/from Seller:	
301. Gross amount due from borrower (line 120)	\$529,328.00	601. Gross amount due to seller (line 420)	\$525,000.00
302. Less amounts paid by/for borrower (line 220)	\$393,750.00	602. Less reduction in amount due seller (line 520)	\$508,802.41
303. Cash [X] from [] to Borrower	\$135,578.00	603. Cash [X] to [] from Seller	\$16,197.59

L SETTLEMENT CHARGES				Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Real Estate Broker Fees					
Division of Commission (line 700) as follows:					
701.	\$				
702.	\$				
703. Commission paid at Settlement					
704.					
705					
800. Items Payable in Connection with Loan					
801. Our origination charge					
802. Your credit or charge (points) for the specific interest rate chosen					
803. Your adjusted origination charges				\$0.00	
804. Appraisal fee to					
805. Credit report to					
806. Tax service to					
807. Flood certification					
808.					
809.					
810.					
811.					
900. Items Required by Lender to Be Paid in Advance					
901. Daily interest charges					
902. Mortgage insurance premium					
903. Homeowner's insurance					
904.					
1000. Reserves Deposited with Lender					
1001. Initial deposit for your escrow account					
1002. Homeowner's insurance					
1003. Mortgage insurance					
1004. Property taxes					
1005.					
1006.					
1007. Aggregate Adjustment					
1100. Title Charges					
1101. Title services and lender's title insurance Vested Land Services LLC				\$3,359.00	
1102. Settlement or closing fee Vested Land Services LLC					
1103. Owner's title insurance				\$544.00	
1104. Lender's title insurance					
1105. Lender's title policy limit \$					
1106. Owner's title policy limit \$					
1107. Agent's portion of the total title insurance premium					
1108. Underwriter's portion of the total title insurance premium					
1109. Title Searches					
1110.					
1111.					
1200. Government Recording and Transfer Charges					
1201. Government recording charges				\$425.00	
1202. Deed \$125.00 Mortgage \$300.00 Releases \$0.00 Bergen County Clerk					\$0.00
1203. Transfer taxes				\$0.00	
1204. City/County tax/stamps Deed \$ Mortgage \$					
1205. State tax/stamps Deed \$ Mortgage \$					\$4,415.00
1206.					
1300. Additional Settlement Charges					
1301. Required services that you can shop for				\$0.00	
1302.					
1303.					
1304.					
1305.					
1306.					
1307.					

File Number: C5093-46

I/we have carefully reviewed this Settlement Statement and to the best of my/our knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my/our account or by me/us in this transaction. This settlement statement was prepared by Vested Land Services, LLC, with information and figures provided by Seller, Purchaser and/or third parties and reviewed by Seller and Purchaser. In the event that the figures included herein are in error and/or do not reflect the terms of the Purchase Agreement between Seller and Purchaser, then the parties agree that adjustments, including but not limited to additional funds paid or reimbursed as appropriate, will be made post-closing. Seller and Purchaser hereby release and agree to hold Vested Land Services, LLC and its underwriter harmless from any and all claims or causes of action relative to the accuracy of the closing figures. I/we further certify that I/we have received a copy of the Settlement Statement and authorize the Settlement Agent to make the necessary disbursements.

Borrower(s)

Livinglyush LLC

Seller(s)

Leonid Levitsky

Settlement Agent

To the best of my knowledge this Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Vested Land Services LLC

By: _____

Date: _____