UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WISCONSIN

In the Matter of :

GREEN BOX NA GREEN BAY, LLC,

Debtor.

Case No. 16-24179-BEH 11

CLIFFTON EQUITIES, INC.'S OBJECTION TO DEBTOR'S AMENDED DISCLOSURE STATEMENT

Cliffton Equities, Inc. ("Cliffton"), by and through its undersigned counsel, hereby objects to the *1st Amended Disclosure Statement Dated November 9, 2016* [Dkt. No. 116] (the "Amended Disclosure Statement") filed in the above-captioned bankruptcy case.

Because Debtor includes many of the same facts in the Amended Disclosure Statement that appeared in the Debtor's *Disclosure Statement Dated September 26, 2016* [Dkt. 81] (the "Initial Disclosure Statement"), and in order to reserve its rights to assert these arguments against the Debtor, Cliffton includes several items herein which will be duplicative of those presented in *Cliffton Equities, Inc.'s Objection to Debtor's Disclosure Statement* [Dkt. 101] (the "Initial Objection").

As a threshold matter, it should be noted that the Debtor has significantly delayed progress in this case, particularly with respect to Cliffton's collateral and disclosure in general. Cliffton's requests for Debtor to honor its stated intention to surrender Kool Units has been ignored. Creditors' requests for specific information related to financing, appraisals, projections, and documents have been ignored. In addition to being generally nonresponsive, the Debtor's Initial Disclosure Statement required that, in order for the creditors to have access to the Debtor's financial information - ostensibly due to its sensitive nature - any interested party was required to

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execute a Non-Disclosure Agreement ("NDA"). However, after going through the time and expense of negotiating the NDA, the Debtor has still not provided Cliffton with most of the information requested. It is plain that the Debtor cannot legitimately reorganize its financial affairs.

Similar to its Initial Disclosure Statement, the Debtor's Amended Disclosure Statement should not be approved because it lacks sufficient and necessary information. As more fully set forth below, the lack of necessary information in the Amended Disclosure Statement relates to fundamental disclosures, including basic financial information such as sources of funding, financial projections, and information related to intellectual property, among others. In spite of Cliffton's requests for more information in these areas, the Amended Disclosure Statement does not provide any additional useful or adequate information. While Debtor did provide some additional information in the Amended Disclosure Statement, and notwithstanding the fact that the Debtor's liquidating plan has been revised to a plan of reorganization, the result is the same as the Initial Disclosure Statement: the lack of information available to creditors, including Cliffton, prevents them from making an informed voting decision regarding the *1st Amended Plan of Reorganization Dated November 9, 2016* (the "Amended Plan").

Debtor's Amended Disclosure Statement fails to provide any concrete or specific information related to confirmation of its Chapter 11 Amended Plan. Accordingly, the Amended Disclosure Statement should not be approved.

I. THE AMENDED DISCLOSURE STATEMENT LACKS ESSENTIAL INFORMATION NECESSARY FOR CREDITORS TO MAKE AN INFORMED VOTING DECISION.

The Amended Disclosure Statement lacks essential information for creditors to make an informed voting decision for two reasons. First, it does not contain adequate information. Second, the Disclosure Statement contains misstatements and material omissions.

A. The Amended Disclosure Statement Does Not Contain Adequate Information.

Bankruptcy Code § 1125(a)(1) requires that a disclosure statement provide "adequate information" such that a hypothetical investor in a class of claims would be able to make an informed judgment whether to accept or reject the proposed plan. The main purpose of a disclosure statement is "to provide all material information which creditors and equity security holders affected by the plan need in order to make an intelligent decision whether to vote for or against the plan." *In re Unichem Corp.*, 72 B.R. 95, 97 (Bankr. N.D. Ill.), aff'd, 80 B.R. 448 (N.D. Ill. 1987). Courts have created a list of factors that should be disclosed which include the following:

> "(1) the events which led to the filing of a bankruptcy petition; (2) a description of the available assets and their value; (3) the anticipated future of the company; (4) the source of information stated in the disclosure statement; (5) a disclaimer; (6) the present condition of the debtor while in Chapter 11; (7) the scheduled claims; (8) the estimated return to creditors under a Chapter 7 liquidation; (9) the accounting method utilized to produce financial information and the name of the accountants responsible for such information; (10) the future management of the debtor; (11) the Chapter 11 plan or a summary thereof; (12) the estimated administrative expenses, including attorneys' and accountants' fees; (13) the collectability of accounts receivable; (14) financial information, data, valuations or projections relevant to the creditors' decision to accept or reject the Chapter 11 plan; (15) information relevant to the risks posed to creditors under the plan; (16) the actual or projected realizable value from recovery of preferential or otherwise voidable transfers; (17) litigation likely to arise in a nonbankruptcy context; (18) tax attributes of the debtor; and (19) the relationship of the debtor with affiliates."

See In re Budd Co., Inc., 550 B.R. 407, 412–13 (Bankr. N.D. Ill. 2016).

Other courts have held that "[a]t a minimum, the disclosure statement must include: (a) a description of the business; (b) a synopsis of the debtor's pre-petition history; (c) certain financial information regarding the debtor's operations; (d) a description of the plan and how it is to be

executed; (e) a liquidation analysis; (f) management to be retained by the debtor and such management's compensation; (g) a projection of operations, inclusive of pending litigation and transactions with insiders; and (h) tax consequences of the reorganization." *In re S.E.T. Income Properties, III*, 83 B.R. 791, 792 (Bankr. N.D. Okla. 1988) (*citing In re Malek*, 35 B.R. 443, 443–44 (Bankr. E.D. Mich. 1983)).

Where a debtor fails to provide adequate disclosure in a bankruptcy case, the disclosure statement should not be approved. *See In re Unichem Corp.*, 72 B.R. at 96. If inadequate disclosure statements are accompanied by other uncooperative behavior or Debtor has had sufficient opportunity to reorganize, dismissal may be appropriate. *See In re Egan*, 33 B.R. 672 (Bankr. N.D. Ill. 1983)(Chapter 11 petition was properly dismissed without prejudice where such insufficient disclosure statement was accompanied by debtors' delays, evasiveness, and general lack of cooperation while case was pending for more than one year.); *see also See In re Hirt*, 97 B.R. 981, 982 (Bankr. E.D. Wis. 1989)(finding that cause existed to dismiss bankruptcy case due to inadequate information in disclosure statement and debtor's inability to effectuate a feasible plan within ten months.)

Here, the Disclosure Statement falls well short of providing the adequate information required under Bankruptcy Code § 1125(a) based on at least the following[1]:

1. Objections to the Amended Disclosure Statement That Also Appear in the Initial Disclosure Statement as Raised in the Initial Objection

Because the Amended Disclosure Statement and the Initial Disclosure Statement contain substantially similar facts in many places, Cliffton reasserts its objections to these facts as they

[1] Cliffton respectfully reserves the right to assert any and all objections to the Debtor's Amended Plan and/or any additional amended disclosure statement(s) and plan(s) even if they are not raised here. Cliffton reserves all rights and waives nothing.

fail to provide adequate information from which a creditor can make an informed decision with respect to the Amended Plan.

i. Failure to Identify Financing Arrangements.

The Amended Disclosure Statement provides that the Debtor "has managed to contractually secure a nationally recognized Investment Bank who has been engaged in taking the entire project forward." (*See* Amended Disclosure Statement, p. 13, ¶ 1) The Debtor provides that it needs $2.5 Million in funding to move the project to the next stage. (*See* Amended Disclosure Statement, p. 19, ¶ 2.) However, the Amended Disclosure Statement fails to include any information with any substance about how the Debtor will receive such funding to make the Amended Plan feasible.

Among other things, the Debtor still fails to identify in the Amended Disclosure Statement a commitment letter, lending terms, the amount of any funds that have been secured, or the party providing the funds. Also, it doesn't appear that the Debtor has any assets which are not fully encumbered, underscoring the question of how such capital can be secured. The Amended Disclosure Statement provides that the Debtor will have funding by the end of the first quarter in 2017, but again fails to specifically set forth how this can be accomplished in such a short timeframe.

ii. Failure to Provide Financial Information.

A disclosure statement must contain the necessary financial information, data, and projections relevant to the creditors' decision to accept or reject the Chapter 11 plan to satisfy the requirements of adequate information under § 1125. *See In re Ferguson*, 474 B.R. 466, 476 (Bankr. D.S.C. 2012); *see also In re Adana Mortgage Bankers, Inc.*, 14 B.R. 29, 31 (Bankr. N.D. Ga. 1981) ("The creditors are not expected to be mindreaders or clairvoyant. The basic financial information must be supplied in the statement."). The Debtor reasserts that it has been "hampered" by "a lack of any meaningful documentation or business records, computer, and server" and that many of its documents have yet to be returned (*See* Amended Disclosure

Statement, p. 13, ¶ 2.) Notwithstanding this impediment, the Debtor offers that it "is currently, as time is available, reviewing the various records of the Debtor which were returned to it from the Sheriff's Department." (*See* Amended Disclosure Statement, p. 14, ¶ 4.) However, the Amended Disclosure Statement provides that the financial projections that form the basis for their presentation to the market are "not yet finalized." (*See* Amended Disclosure Statement, p. 19, ¶ 2; p. 23, ¶ 2.)

Critical to the disclosure statement process in bankruptcy is the requirement that a debtor provide creditors with meaningful financial information regarding its operation. The Debtor concedes that it has not adequately reviewed its own financial records, stating that it "has little, if any, relevant financial information which would add anything to accepting or rejecting the Plan of Reorganization." (*See* Amended Disclosure Statement, p. 18, ¶ 4.) Without this information, it is impossible to determine the feasibility and legality of the Debtor's plan. Importantly, "where debtors are sophisticated in business, and carry on a business involving significant assets, creditors have an expectation of greater and better record keeping." *In re Scott*, 172 F.3d 959, 970 (7th Cir. 1999). This failure to provide creditors with any actual financial disclosure disqualifies the Amended Disclosure Statement from serious consideration. Only when the Debtor provides this information will the submission of a disclosure statement be appropriate.

iii. Incomplete and Inaccurate Schedules and Statements.

One of the bases for dismissal of the case set forth in the *United States Trustee's Motion to Dismiss or Convert Case to Chapter 7* (the "Trustee Motion to Dismiss") (Doc. No. 59) is that the "Debtor has not used reasonable diligence in preparing the Schedules and SOFA" which "remain incomplete." (*See* Trustee Motion to Dismiss, p. 11, ¶ 46-47.) Among other things, the Debtor has failed to provide information related to the use of bank accounts in 2014, 2015, and

2016; whether the Debtor has employment-related liabilities; the amount of rent collected from subtenants; and the disclosure of any potential claims against Ronald Van Den Heuvel or related entities. (*See* Trustee Motion to Dismiss, p. 11, ¶ 50.) A debtor must attest that all information in the petition, schedules, and statements has been reviewed and is correct. *See In matter Gibas*, 543 B.R. 570, 584 (Bankr. E.D. Wis. 2016). Until the Schedules and SOFA are amended to include all necessary information in this bankruptcy case, and until such information is accurate, the Amended Disclosure Statement should not be approved.

iv. Insufficient Information Related to Intellectual Property[2].

The Debtor asserts that Smith "has secured the intellectual property necessary to operate the process with a negotiated license agreement with PC Fibre Technology, LLC." (*See* Amended Disclosure Statement, p. 13, ¶ 3.) Moreover, the Debtor argues that "[t]he intellectual property has previously been evaluated by independent consultants, which have placed a significant value on it." (*See* Amended Disclosure Statement, p. 20, ¶ 1.) Meanwhile, the Debtor's Schedule B provides that the value of such intellectual property is "unknown" while simultaneously asserting that the "IP is essential to operation of the business." (*See* Schedules and Statements, p. 8 (Dkt. 14).)

Conspicuously absent from the Amended Disclosure Statement are such details as, among other things, what exactly is the intellectual property, who owns it, why it is necessary to the plan, the assignability of such intellectual property, and information supporting the basis for the "significant value" attributed to such intellectual property. Although this intellectual property is ostensibly critical to the Debtor, creditors have next to no information by which they can evaluate it within the context of the plan. If it exists, this valuable intellectual property is an asset

[2] Additional arguments related to the intellectual property rights are found in Section 2(i) below.

of the Debtor which must be specifically identified and described in the Amended Disclosure Statement. *See In re Hirt*, 97 B.R. 981, 982 (Bankr. E.D. Wis. 1989) (Finding that the debtor's disclosure statement could not be approved due in part to "a lack of detail as to assets and liabilities.")

v. No Disclosure of Transactions with Insiders.

A "disclosure statement must describe fully, completely, and in detail all transactions within insiders." *See Malek*, 35 B.R. at 444. As set forth in the Trustee's Motion to Dismiss, Debtor failed to provide adequate information related to insiders in the Statement of Financial Affairs (the "SOFA"). In the SOFA, the Debtor vaguely asserts, in response to the request for information related to the transfer of property within a year of filing which benefited an insider, that Ronald Van Den Heuvel "received 'various payments of rent from subtenants' in an 'unknown' amount and was used to 'pay labor, insurance, and material.'" (Trustee Motion to Dismiss, p. 11, ¶ 50.) To date, the Debtor has not provided any useful or specific information about transactions with insiders and related entity as is required in a disclosure statement.

vi. No Liquidation Analysis.

The Debtor's Amended Disclosure Statement still fails to provide any actual numerical analysis, instead asserting in a general fashion that creditors would receive less under a liquidation than they will of the plan is confirmed. The Debtor is required to provide specific analysis to demonstrate the comparison between liquidation and confirmation of the proposed Chapter 11 plan; vague statements are not helpful to creditors attempting to determine whether to support the plan. *See In re Multiut Corp.*, 449 B.R. 323, 346 (Bankr. N.D. Ill. 2011) finding that debtor's liquidation analysis in its disclosure statement was deficient where debtor provided "no

actual evidence or analysis to indicate what creditors would receive in a Chapter 7 case versus a Chapter 11 case.").

vii. No Description of Risk Factors.

In spite of the speculative nature of the Amended Plan and the low likelihood of its success, the Debtor fails to disclose or address any potential risks in the Amended Disclosure Statement. For example, one significant (and foreseeable) risk to the Debtor is the failure to capitalize; Debtor must provide an assessment of this and other similar risks. Once again, the Amended Disclosure Statement appears to rely on aspirations more than facts, which is completely inappropriate in the disclosure process. *In re Egan*, 33 B.R. 672, 675 (Bankr. N.D. Ill. 1983) (opining that a "disclosure statement is not the place for a bottom-line opinion. It is inappropriate to lobby, even if supporting facts are present.")

viii. No Discussion of Management of Debtor and Compensation.

The Debtor fails to disclose how Smith or other management will be compensated through the execution of the plan. The Debtor also fails to specify what GlenArbor's role is with respect to the Debtor including whether they will be paid back for the financing they have provided to the Debtor.

ix. No Projections of Operations.

A debtor "is required to make a full, clear, and complete disclosure of all underlying assumptions" with respect to its projections. *See Malek*, 35 B.R. at 444. Notwithstanding Debtor's failure to provide any information to creditors with which they may assess the viability of the Debtor based on its own projections, Debtor nonetheless offers that "[d]etailed financial projections concerning the Project will be shared with creditors on the basis of enforceable non-disclosure agreements. As stated above, in spite of specific requests, the Debtor has not provided

the information requested in spite of complying with the Debtor's request to execute an NDA. Providing financial projections and other necessary financial information is not a conditional requirement; creditors must be permitted access to these documents without any strings attached. Debtor's failure to provide these projections through the Disclosure Statement is inexcusable. *See Hirt*, 97 B.R. at 982 (Finding that the debtor's disclosure statement could not be approved due in part to "gross inaccuracies in cash flow projections.")

Given the near complete lack of substance of the Amended Disclosure Statement, creditors are not in a position to assess the viability of the Debtor's plan. Consequently, the Amended Disclosure Statement should not be approved.

2. Additional Bases for Objection to the Amended Disclosure Statement for Inadequate Information.

In addition to the foregoing, Cliffton asserts the following additional bases for objection based on information provided in the Amended Disclosure Statement.

i. Claimed Intellectual Property Rights

Debtor's Amended Disclosure Statement continues to emphasize that the Debtor has intellectual property rights in the processes that have "significant value" (*See* Amended Disclosure Statement, p. 20, ¶ 1.), but there is no real explanation about such issues as whether the intellectual property is actually vested and owned by the Debtor, whether it has any value, and if it is transferrable.

The Debtor vaguely alludes to processes that are "proprietary to the debtor and held by a related entity" (*See* Amended Disclosure Statement, p. 8, ¶ 1.) but fails to fully meaningfully identify anything about these processes. Although the Debtor claims ownership in intellectual property rights, it simultaneously provides that it has been "secured in an entity…PC Fibre Technology, LLC" with which it has a "license agreement" (*See* Amended Disclosure Statement,

p. 13, ¶ 3.) The Debtor includes an attachment in the Amended Disclosure Statement labeled "Intellectual Property Rights" which states that it has a Process Patent, FDA Approval for Use with Food Handing (sic) Tissue Products, and Industry Leading Manufacturing Technologies. However, the short, bullet-point descriptions do nothing to clarify the extent of the Debtor's intellectual property rights, if any.

First, the Debtor states that it has a *pending* patent, serial number 13/385,218 which was filed in February 2011. This appears to be the application for which RVDH had applied. (*See* Amended Disclosure Statement, p. 7, ¶ 2.) However, the Debtor cannot have intellectual property rights in an application; only a granted patent vests such rights. Indeed, the Amended Disclosure Statement conjectures that "it is expected that the final process patent will be issued sometime in 2017." (*See* Amended Disclosure Statement, p. 7, ¶ 3.) Thus, the Debtor does not actually have any intellectual property rights and it cannot assert any corresponding value to the estate, as there is no value in an application for a patent.

Second, this particular application appears to have been rejected several times. There is no specific information listed in the Debtor's bankruptcy about which steps it has taken to renew its application in this patent and why this time it is likely to be granted a patent.

The Debtor also lists Patent Number 6,174,412 B1, which refers to processes related to tissue manufacturing and the conversion of cotton. The Debtor's information related to alleged intellectual property rights is insufficient and paints a thoroughly incomplete picture about the Debtor's intellectual property.

ii. Revised Treatment of Kool Units

At the hearing on dismissal or conversion of the Debtor's bankruptcy, the Debtor, through Steven Smith, testified that it would cooperate in the surrender of the Kool Units to Cliffton. (*See*

Motion to Dismiss Hearing Transcript, p. 168, Ln. 19.)("Q: The plan calls for surrendering the cool units (sic). Are you willing to simply allow the stay to be lifted so they can take them back right now and not have to worry about insuring them? A: Absolutely"). However, in the Amended Disclosure Statement, the Debtor now proposes to sell the units along with "certain proprietary information" (*See* Amended Disclosure Statement, p. 34, ¶ 1.) which, it asserts, will provide value to the units. If the Debtor is unsuccessful in selling the units, it will surrender the units to Cliffton to sell in a commercially reasonable manner. The Amended Disclosure Statement also asserts a value of $1.2 Million for the Kool Units resulting from "significant modifications and improvements" to the units and that "without the intellectual property related to the process, the value would be significantly reduced in the estimate of the Debtor." (*See* Amended Disclosure Statement, p. 16).

The Debtor fails to point out what modifications and improvements were made and how its alleged proprietary information can add value to any proposed sale. In fact, Cliffton asserts that the modifications of the units, which were changed to use plastics instead of tires as originally intended, has actually *decreased* their value. Without an explanation supporting its contrary conclusion, Cliffton and other creditors are not in a position to support the Debtor's Amended Plan.

iii. Tax Returns and Records

The Amended Disclosure Statement provides that the Debtor has a tentative agreement with Price Waterhouse Cooper to "reconstruct the books and records and compile the tax returns for 2013, 2014, and 2015." (*See* Amended Disclosure Statement, p. 15). The Debtor's disclosures are incomplete without its historical financial information. Until the Debtor can provide this

information, creditors cannot fully understand whether the Debtor's Amended Plan can be successful.

B. The Disclosure Statement Contains Misstatements and Material Omissions

Additionally, a disclosure statement cannot be approved if it contains material misstatements and omissions. *See e.g., In re Dakota Rail, Inc.*, 104 B.R. 138 (Bankr. D. Minn. 1989) (finding a disclosure statement materially misleading where the debtor estimated that it had 1,000 revenue-producing cars when it knew that only 850 would produce revenue: "[a] disclosure statement is misleading where it contains glowing opinions or projections, having little or no basis in fact and/or contradicted by known fact."). The following are just a few examples of material misstatements and omissions in the Debtor's Amended Disclosure Statement:

i. Operation of Patriot Tissue, LLC.

The Amended Disclosure Statement asserts that Patriot Tissue, LLC ("Patriot"), a related entity, continues to operate in Debtor's real property. (*See* Disclosure Statement, p. 15). The Debtor has determined that, notwithstanding its operation, that the unpaid rent is "uncollectible." (*See* Disclosure Statement, p. 15). However, the Debtor asserts that it receives a benefit from Patriot's operation since it demonstrates the feasibility of ongoing operations. *Id*. While unsecured creditors stand to receive nothing through the plan, Debtor is bestowing a benefit on a related entity, allowing Patriot to continue its operations without requiring the payment of current rent or previously unpaid rent. Debtor continues to omit information about Patriot, including the amount of revenue that Patriot receives from its operation, how it is paying its employees, and to what extent it will be involved in the "roll up." The relationship between a

debtor and its affiliates is among the type of information that should be disclosed. *See In re Applegate Prop., Ltd.*, 133 B.R. 827, 829 (Bankr. W.D. Tex. 1991).

ii. No Demonstration of Insurance Coverage for Debtor's Collateral.

The Amended Disclosure Statement still fails to include any statement that the Kool Units or any other collateral in the Debtor's bankruptcy estate are adequately insured. Information related to insurance coverage should be provided in a disclosure statement. *In re U.S. Brass Corp.*, 194 B.R. 420, 426 (Bankr. E.D. Tex. 1996) (finding that the debtor's several page discussion of insurance coverage in its disclosure statement provided creditor with adequate information).

iii. Negotiation of Contracts and GlenArbor.

Debtor's Disclosure Statement provides that GlenArbor, through Smith, has "entered into agreements with various entities" and "continues to negotiate contracts for both products generated from the process as well as inputs which are necessary to fuel the process." (*See* Amended Disclosure Statement, p. 13, ¶ 3.) The agreements and contracts, aside from this casual mention of them, are completely omitted from the Amended Disclosure Statement. Again, while the Debtor stresses the importance of these actions to bolster confirmation on the one hand, it undercuts its credibility by failing to provide concrete and specific information about such efforts.

The Debtor's Amended Disclosure Statement contains substantial and material misstatements and omissions that render it deficient. The Court should not approve a defective disclosure statement that omits or misstates such critical financial information from creditors and from the Court.

II. THE AMENDED DISCLOSURE STATEMENT MUST BE REJECTED AS THE DEBTOR'S PLAN IS FACIALLY UNCONFIRMABLE.

When it is apparent that the plan accompanying the disclosure statement is not confirmable, a court may refuse to approve a disclosure statement." *Hirt*, at 982–83; *see also In re Century Inv. Fund VIII Ltd. P'ship*, 114 B.R. 1003, 1005 (Bankr. E.D. Wis. 1990). Where a plan is "patently unconfirmable on its face, the application to approve the disclosure statement must be denied, as solicitation of the vote would be futile." *In re Quigley Co., Inc.*, 377 B.R. 110, 115–16 (Bankr. S.D.N.Y. 2007).

In addition to all of the foregoing omissions and inadequate information set forth herein, Debtor has "virtually no income" and asserts that "GlenArbor is providing capital on an as-needed basis in order to take the overall project forward." (*See* Amended Disclosure Statement, p. 13-14). Debtor states that it will require $2.5 Million initially in order to determine whether there is a capital market that might provide the necessary funding for the "roll-up." (*See* Amended Disclosure Statement p. 14, ¶ 1).

The Debtor projects that, *if the bankruptcy plan is confirmed*, it will raise $176 Million to fund the project. (*See* Amended Disclosure Statement p. 19, ¶ 1) (emphasis added). However, there is no coherent strategy for confirmation or value underlying the operation of the business that the Debtor describes in its Amended Disclosure Statement in order to put the Court in a position to approve the same. In essence, the Debtor asks the Court to confirm the Amended Plan first in order to determine if its proposed reorganization is feasible. This is improper.

Meanwhile, the Debtor has provided no information that would give the Court any basis to confirm a plan. There is no analysis that supports feasibility beyond conclusory statements insisting that the Debtor (and all creditors) will benefit from confirmation of the Debtor's plan. The Debtor admits that it has actually reviewed very little financial information, casting serious doubt on the credibility of the details of the Amended Plan and any assumptions upon which the Debtor relies. The Debtor provides that financial projections are not yet complete. Additionally, the valuable intellectual property that the Debtor touts and appears to rely on for its processes is

exaggerated, poorly described, likely valueless, and not likely owned by the Debtor in the first place.

In this case, in spite of its duty to provide full and transparent information to its creditors, the Debtor has continued to muddy the waters. The Debtor has failed to file complete and accurate schedules disclosing any insider transactions that have taken place, including the potential ownership of intellectual property by an insider. The Debtor has obfuscated the disclosure process by purporting to require creditors to enter into non-disclosure agreements before permitting creditors to view the Debtor's financial projections, then providing only the disclosed information already included in this Amended Disclosure Statement.

Section 1125 sets forth that, before a Court can approve a disclosure statement, the Court must determine that the Debtor's plan provides creditors with adequate information which enables them to make an informed decision on how to vote for the Debtor's plan. The Debtor's Amended Disclosure Statement does not provide adequate information. Without adequate information, creditors have no idea what is going on in a debtor's bankruptcy case and, under such circumstances, are not in a position to accept any proposed plan. In the event that the Debtor provides creditors with the requisite information, it can once again amend and resubmit another disclosure statement - accompanied by a *confirmable* plan - for consideration. However, given the near total lack of information from the Debtor and the speculative prospects for confirmation of its plan, approval of the Amended Disclosure Statement is not appropriate at this time.

III. CONCLUSION.

Based on the foregoing, Cliffton respectfully requests that the Court enter an Order:

A. Denying the approval of the Amended Disclosure Statement; and

B. Granting such other and further relief as the Court deems just and proper under the facts and circumstances of this case.

Dated this 16th day of November, 2016.

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WISCONSIN

In the Matter of :

Case No. 16-24179-BEH 11

GREEN BOX NA GREEN BAY, LLC,

Debtor.

CERTIFICATE OF SERVICE

I, Brittany S. Ogden, certify that I caused a copy of the foregoing Cliffton Equities, Inc.'s Objection to Debtor's Amended Disclosure Statement to be served upon the following individuals by electronic filing through ECF on November 16, 2016:

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