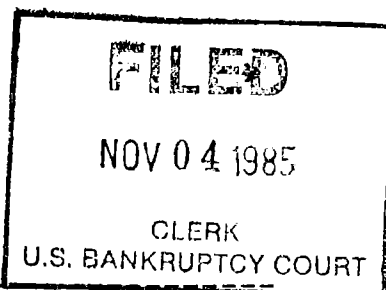


UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WISCONSIN



In re:

Case Number:

DAN J. ESTREEN  
ELAINE ESTREEN  
d/b/a Estreen Properties

WF11-84-02116

Debtors.

ORDER DENYING APPROVAL OF DISCLOSURE STATEMENT

The Unsecured Creditors' Committee (Committee) seeks court approval of the disclosure statement that it has filed in connection with its proposed plan filed on behalf of debtors Elaine and Dan J. Estreen, d/b/a Estreen Properties. The debtors have objected to the Committee's disclosure statement.

A hearing on the disclosure statement has been held with the Committee appearing by Attorney Terrence J. Byrne and debtors by Attorney Dennis A. Juncer. The parties have also filed briefs on this matter.

Before a party may proceed to seek acceptance of a plan of reorganization it must first receive court approval of its disclosure statement as containing adequate information. 11 U.S.C. § 1125(b). Adequate information is defined by sec. 1125(a) of the Bankruptcy Code as being information that would enable a hypothetical reasonable investor to make an informed judgment about the plan.

The debtors have made several objections to the disclosure statement as it stands in amended form. They claim that it provides inadequate information as to the value of debtors' assets. They point out that the disclosure statement ignores the fact that debtors own four properties in Florida from which equity is available for the bankruptcy estate. Debtors also assert that they hold property in Wisconsin Rapids with substantial equity which is not listed in the disclosure statement. They contend that the disclosure statement fails to address the management and condition of the estate during the bankruptcy proceeding. This entails matters such as improvements made to debtors' properties. Finally, debtors note that they are presently engaged in litigation in Florida which affects the value of the bankruptcy estate and is not considered by the disclosure statement.

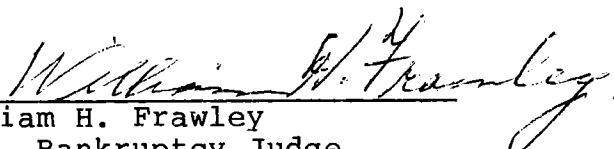
The court concludes that the Committee's disclosure statement fails to provide adequate information. The objections made by debtors have merit. The disclosure statement does not fully and accurately set forth the debtors' assets or liabilities. It provides no framework from which a creditor could assess whether to vote for a plan. The disclosure statement lacks a general overview of the bankruptcy estate which discusses the past, present and future operation of the estate.

ORDER

IT IS ORDERED THAT approval of the Committee's disclosure statement is denied.

Dated: November 4, 1985.

BY THE COURT:

  
William H. Frawley  
U. S. Bankruptcy Judge

cc: Attorney Terrence J. Byrne  
Attorney Dennis A. Juncer