

**United States Bankruptcy Court
Eastern District of Tennessee**

**In re: Trolley Rock Truck Stop, LLC.
Debtor**

Case No.: 4:16-bk-11355-SDR

Small Business Case under Chapter 11

**TROLLEY ROCK TRUCK STOP, LLC'S DISCLOSURE STATEMENT,
DATED NOVEMBER 14, 2016**

I. INTRODUCTION

This is the Disclosure Statement in the Small Business Chapter 11 case of Trolley Rock Truck Stop, LLC. This Disclosure Statement contains information about the Debtor and describes the Plan filed by Trolley Rock Stop, LLC, on November 15, 2016. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*

The proposed distributions under the Plan are discussed at pages 6-7 of this Disclosure Statement. There are no General Unsecured Creditors.

A. Purpose of This Document

This Disclosure Statement describes:

- The debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims of the type you hold,
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,
- Why the Plan is feasible, and how the treatment of your claim under the Plan compares to what you would receive on your claim in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

1. The hearing at which the Court will determine whether to confirm the Plan will take place on _____, at 9:30 a.m. in the Second Floor Courtroom of the United States Courthouse and Post Office in Winchester, Tennessee, 37398.
2. Objections to the confirmation of the Plan must be filed with the Court and served upon the attorney for the debtor, Robert S. Peters, 120 North Jefferson Street, Winchester, Tennessee 37398 by _____.

If you want additional information about the Plan, you should contact Robert S. Peters, 120 North Jefferson Street, Winchester, Tennessee 37398.

C. Disclaimer

In accordance with 11 U.S.C. § 1125(f)(1), the Court may determine that this Disclosure Statement and the attached Plan provide adequate information and may accept the Plan in accordance with 11 U.S.C. § 1126 or, alternatively, the Court may conduct a hearing on the Disclosure Statement combined with the hearing on the confirmation of the Plan as set out in 11 U.S.C. § 1125 (f)(3)(C).

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is a corporation. Since October 11, 2013, the Debtor has been in the business as a truck stop and convenience store.

B. Insiders of the Debtor

The partners in the LLC are Floyd Don Davis and Andrew Peters Davis and they receive no compensation.

C. Management of the Debtor Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the "Managers") were Floyd Don Davis and Andrew Peters Davis.

The Managers of the Debtor, during the Debtor's chapter 11 case, have been: Floyd

Don Davis and Andrew Peters Davis.

After the effective date of the order confirming the Plan, the directors and officers, under the Plan (collectively the "Post Confirmation Managers"), will be: Floyd Don Davis, Andrew Peters Davis and Scottie Little. The responsibilities and compensation of these Post Confirmation Managers are described in section D-2 of this Disclosure Statement.

D. Events Leading to Chapter 11 Filing

The Debtor Trolley Rock Truck Stop, LLC. was purchasing fuel from Mansfield Oil Company at the opening of the business and then from Empire Petroleum Partners, LLC at the filing of the Chapter 11. Discrepancies arose between the Debtor and the fuel providers as to the credit card monies being applied correctly for the purchase of fuel and also the amount of credit card monies being held by the fuel companies at the end of Mansfield supplying fuel and the beginning of Empire supplying fuel. Additionally, the Debtor was not even informed of the change of hands of the business. The Debtor also took issue with the poor accounting practices of both providers, and the lack of the providers' fulfilling the agreements between the parties. Both parties gave notice of default, and suit and cross-complaint were filed in the United States District Court, Case Number: 4:15-cv-00065-SKL, Empire Petroleum Partners, LLC v. Trolley Rock Truck Stop, LLC, et al, and counter-complaint, Trolley Rock Truck Stop, LLC v. Empire Petroleum Partners, LLC.

There was a dispute over the furnishing of fuel. The Debtor sought out other sources for purchase of fuel only to have the prior companies, Mansfield Oil Company and Empire Petroleum Partners, LLC, continually interfere with the transactions by way of contacting the new providers and threatening to sue them if transactions continued between the new sources and the Debtor.

The above caused detrimental issues with the course and scope of the Debtor's regular business.

E. Significant Events During the Bankruptcy Case

A settlement agreement was mediated and entered into by the parties of the aforementioned U.S. District Court lawsuit.

Approval was granted by the Court for hiring Certified Public Account Heather Crenshaw of Clark, Knies & Crenshaw, CPA.

A new in-store manager was hired for the Truck Stop.

F. Claims Objections

The secured claims are not impaired under 11 U.S.C. § 1124. The Plan leaves

unaltered the legal, equitable, and contractual rights to which claim or interest of Empire Petroleum Partners, LLC or Citizens Tri-County Bank f/k/a Franklin County United Bank entitles the holder of such claim or interest. .

G. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are listed in Exhibit B.

The Debtor's most recent financial statement is set forth in Exhibit C.

The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case is set forth in Exhibit D.

III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. What is the Purpose of the Plan of Reorganization?

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

1. *Administrative Expenses*

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	None Pay upon receipt	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	None, Pay as we go, Gasoline has a 5 day turn around	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	\$4812.50 CPA Bill - Waiting for Court's Approval to Pay, Trustee's Fee – Pay upon receipt of bill	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	Paid to Date	Paid in full on the effective date of the Plan
Other administrative expenses	Paid to Date	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	Paid to Date	Paid in full on the effective date of the Plan
TOTAL	\$4,812.50	

2. *Priority Tax Claims*

There are no Priority tax claims.

C. **Classes of Claims and Equity Interests**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate to the extent allowed as secured claims under § 506 of the Code. The secured claim of Empire Petroleum Partners, LLC (Empire) is evidenced by the settlement agreement entered into between Empire and Trolley Rock Truck Stop, LLC and the guarantors, and Empire will be paid in accordance with that settlement agreement, and it will be deemed the claim or interest of Empire. Empire is not impaired in its treatment.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class #	Description	Insider? (Yes or No)	Impairment	Treatment
1	<p><i>Secured claim of:</i></p> <p>Citizens Tri-County Bank f/k/a Franklin County United Bank</p> <p>Collateral description = Deed of Trust / Store & Property located at 8791 David Crocket Pkwy W, Belvidere, TN (\$480,400) & Existing fixtures at time of purchase (\$125,000)</p> <p>Allowed Secured Amount = <u>\$653,361</u></p> <p>Priority of lien = 1st Mtg</p> <p>Principal owed = <u>\$653,361</u></p> <p>Pre-pet. arrearage = \$ - 0 -</p> <p>Total claim = <u>\$653,361</u></p>	NO	UNIMPAIRED	<p>Monthly Pmt = \$4,814.51</p> <p>Pmts Begin = 10/23/13</p> <p>Pmts End = 10/17/18</p> <p>[Balloon pmt] =</p> <p>Interest rate % = 5.5%</p> <p>Treatment of Lien = Secured Monthly Payments</p> <p>No Additional payment required to cure defaults.</p>
1	<p><i>Secured claim of:</i></p> <p>Citizens Tri-County Bank f/k/a Franklin County United Bank</p> <p>Collateral description = Deed of Trust / Store & Property located at 8791 David Crocket Pkwy W, Belvidere, TN (\$480,400) & Existing fixtures at time of purchase (\$125,000)</p> <p>Allowed Secured Amount = <u>\$92,927</u></p> <p>Priority of lien = 2nd Mtg</p> <p>Principal owed = <u>\$92,927</u></p> <p>Pre-pet. arrearage = \$ -0-</p> <p>Total claim = <u>\$92,927</u></p>	NO	UNIMPAIRED	<p>Monthly Pmt = \$1,048.75</p> <p>Pmts Begin = 10/23/13</p> <p>Pmts End = 10/18/18</p> <p>[Balloon pmt] =</p> <p>Interest rate % = 5.75%</p> <p>Treatment of Lien = Secured Monthly Payments</p> <p>No Additional payments required to cure defaults.</p>

Class #	Description	Insider? (Yes or No)	Impairment	Treatment
2	<p><i>Secured claim of:</i> Empire Petroleum Partners, LLC</p> <p>Collateral description = Settlement Agreement</p> <p>Allowed Secured Amount = <u>\$507,000</u></p> <p>Priority of lien =</p> <p>Principal owed = <u>\$507,000</u></p> <p>Pre-pet.arrearage = <u>\$ - 0 -</u></p> <p>Total claim = <u>\$507,000</u></p>	NO	UNIMPAIRED	<p>[Monthly] Pmt = \$8,450.00</p> <p>Pmts Begin = 8/01/2016</p> <p>Pmts End = 8/01/2021</p> <p>[Balloon pmt] =</p> <p>Interest rate % 0</p> <p>Treatment of Lien: Secured Monthly Payments</p> <p>No Additional payments required to cure defaults</p>

2. Priority Unsecured Claims

There are no priority unsecured claims.

3. General Unsecured Claims

There are no general unsecured claims.

4. Equity Interest Holders

There are no equity interest holders.

D. Means of Implementing the Plan

1. Source of Payments

Payments and distributions under the Plan will be funded by income from the

operation of the truck stop and convenience store.

2. Post-confirmation Management

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations	Insider (yes or no)?	Position	Compensation
Scottie Little	None	No	In-Store Manager	\$750/weekly
Floyd Davis	Partner/Owner	Yes	Managing Partner	None
Andrew Davis	Partner/Owner	Yes	Managing Partner	None

E. Risk Factors

The proposed Plan has the following risks:

The risk factors involve business failure which is unlikely or loss by fire or other calamity.

F. Executory Contracts and Unexpired Leases

The Plan, in Exhibit 5.1, lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Exhibit 5.1 will be rejected under the Plan.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract Is 30 days from the Date of the Order of Confirmation. Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

G. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/OR Advisors.

There are no anticipated tax consequences of the Plan.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code.

These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

There are no impaired creditors.

B. Liquidation Analysis

The secured creditors will be paid in full and liquidation analysis is not necessary.

C. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. Ability to Initially Fund Plan

The Plan Proponent believes that the Debtor will have enough cash on hand on the

effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit F.

2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit G.

The Plan Proponent's financial projections show that the Debtor will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, to make the Plan payments.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

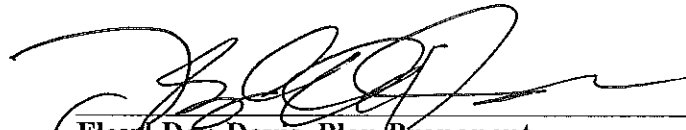
C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case.


Alternatively, the Court may enter such a final decree on its own motion.

VI. OTHER PLAN PROVISIONS

There are no other Plan provisions.



Floyd Don Davis, Plan Proponent
Trolley Rock Truck Stop, LLC.



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