

IN THE UNITED STATES BANKRUPTCY COURT FOR  
THE NORTHERN DISTRICT OF ALABAMA  
NORTHERN DIVISION

In the Matter of: )  
)  
ADEPT TECHNOLOGIES, LLC ) CASE NO. 12-83490-11  
)  
Debtor. ) CHAPTER 11  
\_\_\_\_\_ )

**DEBTOR'S DISCLOSURE STATEMENT**  
**DATED FEBRUARY 28, 2013**

**INTRODUCTION**

Adept Technologies, LLC, as Debtor-in-Possession ("Debtor"), filed a voluntary petition under Chapter 11 of Title 11, United States Code (the "Bankruptcy Code" or "Code"), on October 31, 2012, in the United States Bankruptcy Court for the Northern District of Alabama, Northern Division ("Bankruptcy Court" or the "Court").

Debtor submits this Disclosure Statement dated February 28, 2013, in connection with its Chapter 11 Plan of Reorganization dated February 28, 2013 ("Plan") as required by 11 U.S.C. § 1125. The definitions in the Plan are incorporated by reference. Except where otherwise indicated herein or as defined in the Plan, the terms in this Disclosure Statement have been used as defined in the Bankruptcy Code. The Plan has been filed in the Bankruptcy Court contemporaneously with this Disclosure Statement.

Debtor provides this Disclosure Statement to all of its known creditors, equity security holders and parties in interest to disclose information to be determined by the Bankruptcy Court as adequate for said creditors, equity security holders, and parties in interest to reach a reasonably informed decision in connection with the Plan.

The Disclosure Statement describes the history of the Debtor, the circumstances giving rise to filing its petition, summarizes the anticipated future of the Debtor, provides a liquidation analysis, and summarizes the Plan. Great effort has been made to describe material matters fully and completely; however, no warranties can be made. Creditors and Interest Holders are urged to read the Plan carefully and are further urged to consult with their counsel in order to fully understand the Plan. The Plan is a legally binding document and is based on complex legal and financial considerations.

Section 1125 of the Bankruptcy Code requires that the Debtor, as a condition precedent to solicitation of acceptance of its Plan of Reorganization, submit a written Disclosure Statement. The purpose of this document is to set forth sufficient detail to allow each holder of a claim or interest of a particular Class to make an informed judgment about acceptance of the Plan. Prior to soliciting votes of acceptance from Creditors, the Court must have approved the Disclosure Statement.

## **DISCLAIMER**

NO REPRESENTATIONS CONCERNING THE DEBTOR, PARTICULARLY REGARDING FUTURE BUSINESS OPERATIONS OF DEBTOR OR THE VALUE OF DEBTOR'S ASSETS, HAVE BEEN AUTHORIZED BY PROPONENT EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT. YOU SHOULD NOT RELY ON ANY OTHER REPRESENTATIONS OR INDUCEMENTS PROFFERED TO YOU TO SECURE YOUR ACCEPTANCE IN ARRIVING AT YOUR DECISION IN VOTING ON THE PLAN. ANY PERSON MAKING REPRESENTATIONS SHOULD BE REPORTED TO COUNSEL FOR DEBTOR AT HEARD ARY, LLC, 307 CLINTON AVENUE, WEST, SUITE 310, HUNTSVILLE, ALABAMA 35801, (256) 535-0817.

FOR VARIOUS REASONS, THE RECORDS OF PROPONENT PRIOR TO THE PREPARATION OF THIS PLAN HAVE NOT ALWAYS BEEN COMPLETE. THE ACCURACY OF THE INFORMATION SUBMITTED WITH THIS DISCLOSURE STATEMENT IS DEPENDENT UPON ACCOUNTING PERFORMED BY DEBTOR AND DEBTOR'S ACCOUNTANT. WHILE EVERY EFFORT HAS BEEN MADE TO PROVIDE THE MOST ACCURATE INFORMATION AVAILABLE, PROPONENT IS UNABLE TO WARRANT OR REPRESENT THAT ALL INFORMATION IS WITHOUT INACCURACY. NO KNOWN INACCURACIES ARE INCLUDED. WHILE EVERY EFFORT HAS BEEN MADE TO INSURE THAT THE ASSUMPTIONS ARE VALID, UNDER THE CIRCUMSTANCES, NEITHER DEBTOR, ITS ATTORNEY, NOR ITS ACCOUNTANT UNDERTAKES TO CERTIFY OR WARRANT THE ABSOLUTE ACCURACY OF THE PROJECTIONS.

A LIQUIDATION ANALYSIS HAS BEEN UNDERTAKEN OF SUBSTANTIALLY ALL OF THE DEBTOR'S PROPERTY. THE VALUES PLACED ON DEBTOR'S PROPERTY AND SUMMARIZED HEREIN ARE THE DEBTOR'S BEST ESTIMATE OF THE VALUES OF THE PROPERTY OF DEBTOR AS OF THE TIME OF THE FILING OF THIS DISCLOSURE STATEMENT.

THE VALUES HEREIN MAY DIFFER FROM VALUES PLACED ON THE SAME PROPERTY AT THE TIME OF THE FILING OF THE PETITION FOR RELIEF AND THE SUBSEQUENT SCHEDULES.

## **EXPLANATION OF CHAPTER 11**

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor attempts to reorganize its business for the benefit of its creditors and its interest holders pursuant to a plan of reorganization. The Debtor's bankruptcy case was commenced on or about October 31, 2012 ("Petition Date") as a voluntary Chapter 11 bankruptcy case.

Section 362 of the Bankruptcy Code provides for an automatic stay of all attempts to collect claims that arose prior to the Petition Date, or otherwise to interfere with the Debtor's property or

business.

Confirmation of a Chapter 11 plan of reorganization requires either that all classes of claims and interests (entitled to vote) accept the plan or that the plan be accepted by the holders of at least one impaired class of claims (not held by “insiders” within the meaning of the Bankruptcy Code) to satisfy the requirements of § 1129(b) of the Bankruptcy Code. A plan of reorganization must also be in the best interests of creditors and interest holders, which essentially means that the cash or other property to be distributed to creditors and interest holders may not be less than they would receive if all the Debtors assets were liquidated under Chapter 7 of the Bankruptcy Code.

Acceptance by a class requires that more than one-half in number and at least two-thirds in amount of the total allowed claims who vote in that class vote in favor of the plan. So long as one class of non-insider impaired claims or interests accepts a plan, it need not be accepted by all classes. The Bankruptcy Court may confirm a plan pursuant to its “cramdown” powers under § 1129(b) of the Bankruptcy Code, if it does not discriminate unfairly and is fair and equitable with respect to each impaired, dissenting class.

As is more fully described below, most creditors are not impaired and a cramdown may be necessary to confirm the Plan over the objection of any dissenting class. The Plan Proponent believes that the Claims of Creditors in Class 1 (Administrative Claims) are unimpaired under the Plan. The claims of creditors in Classes 2 through 5 are impaired. Section 1126(f) provides that a class that is not impaired under the Plan, and each holder of a claim or interest of such class, is conclusively presumed to have accepted the Plan. Solicitation of acceptances with respect to members of such Classes is not required.

Under § 1121(e) of the Bankruptcy Code, only the Debtor may file a plan of reorganization before the expiration of 180 days from the date of the order for relief. If a plan has been filed, then the Debtor has 45 days from the filing of the plan to have it confirmed under the time provisions are extended under § 1121(e)(3).

### **PROCEDURE FOR FILING PROOFS OF CLAIMS**

The Bankruptcy Court establishes a bar date for filing Proof of Claims. The Plan provides that Claims will be recognized only if evidenced by a timely filed Proof of Claim. A Proof of Claim is deemed “allowed” if it appears in the Debtor’s schedules filed with the Bankruptcy Court and is not listed as disputed, contingent or unliquidated or is not disputed as part of the Plan or objected to by the Debtor pursuant to Rule 3007 of the Federal Bankruptcy Rules or is otherwise allowed by the Bankruptcy Court. **THE COURT HAS FIXED FEBRUARY 28, 2013, BY WHICH ALL PROOFS OF CLAIM MUST BE FILED WITH THE COURT. ALL PROOFS OF CLAIM MUST BE RECEIVED BY SAID DATE BY THE COURT WITH COPIES TO THE OFFICES OF HEARD ARY, LLC, COUNSEL FOR DEBTORS, at 307 Clinton Avenue West, Suite 310 Huntsville, Alabama 35801.** No proofs of claim received by the Court after that date will be counted as admissible. The Debtor’s schedules may be reviewed during regular business hours in the Office of the Clerk, United States Bankruptcy Court, Decatur, Alabama or in the office of Heard Ary, LLC,

307 Clinton Avenue, West, Suite 310 Huntsville, AL 35801, (256) 535-0817.

### **VOTING PROVISIONS**

Creditors holding Allowed Claims are entitled to vote to accept or reject Debtor's Plan. The Bankruptcy Court establishes a bar date for filing ballots. Ballots will be recognized only if filed by the court-ordered date. All ballots must be received by the date set by the court with copies to offices of Heard Ary, LLC, at 307 Clinton Avenue West, Suite 310 Huntsville, Alabama 35801. No ballots received by the Court after that date will be counted in determining whether the Plan should be confirmed. Even though a creditor may not vote or may vote against the Plan, the creditor will be bound by the terms and treatment set forth in the Plan if the Plan is accepted by the requisite majorities in each Class of creditors and/or is confirmed by the Court.

Creditors who fail to vote will not be counted in determining acceptance or rejection of the Plan. Allowance of a Claim or interest for voting purposes does not necessarily mean that the Claim will be allowed or disallowed for purposes of distribution under the terms of the Plan. Any Claim to which an objection has been or will be made will be allowed only for distribution after determination by the Court. Such determination may be made after the Plan is confirmed.

In order for the Plan to be deemed accepted by a Class of creditors holding Unsecured Claims, creditors that hold at least two-thirds (2/3) of the total dollar amount and more than one-half (1/2) of the total number of Allowed Claims of creditors voting on the Plan must accept the Plan. Under certain limited circumstances more fully described in § 1129(b), the Court may confirm the Plan notwithstanding the rejection thereof by more than one-third (1/3) in amount or one-half (1/2) in number of the creditors voting on the Plan in any given Class. Debtor intends to seek confirmation under § 1129(b) in the event any Class of creditors rejects the Plan.

### **CONFIRMATION OF THE PLAN**

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

1. Confirmation Hearing. Section 1128(a) of the Bankruptcy Code requires the Court, after notice, to hold a hearing on confirmation of the Plan (the "Confirmation Hearing"). Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan, regardless of whether it is entitled to vote.

2. Objections to Confirmation. The Court is expected to direct that any objections to the Plan are required to be made in writing in advance of the Confirmation Hearing. The hearing may be adjourned from time to time by the Court without further notice except for an announcement made at the hearing. While the Plan Proponent expects that any hearing to consider objections to the confirmation of the Plan will be held in conjunction with the Confirmation Hearing, there can be no assurance that such will be the case.

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. **UNLESS**

**AN OBJECTION TO CONFIRMATION IS TIMELY MADE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

3. Requirements for Confirmation of the Plan. At the Confirmation Hearing, the Court will determine whether the requirements of § 1129 of the Bankruptcy Code have been satisfied, in which event the Court will enter an order confirming the Plan. These requirements include:

- (A) Feasibility of the Plan. In order for the Plan to be confirmed, the Court must determine that a further reorganization or subsequent liquidation of the Debtor is not likely to result following confirmation of the Plan. The Debtor believes that the Plan is feasible in that it pays money to satisfy existing Administrative, Priority and Unsecured Creditors.
- (B) Fair and Equitable Requirement. In order for the Plan to be confirmed, the Court must find that no junior Class will receive any distribution unless each senior Class consents or is paid in full or substantial property is contributed. The Plan Proponents believe that the Plan satisfies this requirement in as much as all Creditors will be paid the present value of their Claim.

**DESCRIPTION OF AVAILABLE ASSETS,  
“GOING CONCERN,” “LIQUIDATION VALUES” AND EQUITY**

Schedules A and B of the Debtor’s bankruptcy schedules identify the Debtor’s real estate and personal property. Schedule A shows that the Debtor has an interest in real property. Schedule B identifies the Debtor’s personal property, goods, furniture, machinery, and inventory. These assets are described on Exhibit “A,” which contains a summary of each asset and market and liquidation values of this equipment as well.

Exhibit A indicates the theoretical equity in these properties were the Debtor to liquidate under Chapter 7 of the Bankruptcy Code. Also included within Exhibit A is a theoretical analysis based upon fair market values. Based upon this analysis, if the Debtor was to liquidate its assets under Chapter 7, unsecured creditors would receive zero percent (0%) of their claims. Under the Debtor’s plan as proposed, unsecured creditors will receive approximately five percent (5%) of their claims.

**HISTORY OF THE DEBTOR**

Adept Technologies, LLC (“Adept”) is a limited liability company which is organized and existing under the laws of the State of Alabama. It was formally established as of September, 2003. Adept is an engineering and precision manufacturing company which specializes in aerospace and defense solutions. It builds prototypes to mass production of parts and products used in these industries. Many of these programs provide mission critical support to the war fighter. Adept has approximately 80 employees. Adept’s office is located at 2865 Wall Triana Blvd, Huntsville, Alabama 35824.

The owners of Adept are Brad Fielder and his brother Chad Fielder. The Fielders have a combined experience of over 40 years in the manufacturing. Each of the Fielders's receives annual compensation of \$150,000 dollars.

### **ADMINISTRATIVE EXPENSES AND CLAIMS ANALYSIS**

As discussed in this Disclosure Statement, there are multiple types of expenses and claims provided for which different treatment is provided. One such type of expense is an Administrative Expense. Administrative Expense Claims of the Debtor's Chapter 11 case are allowed pursuant to § 503(b) of the Code and given priority in accordance with § 507(a)(2) of the Code. Presently there are no Administrative Expense Claims which have been granted by the Court. It is anticipated, however, that the Debtor will incur legal fees to Heard Ary, LLC in the approximate amount of \$26,595.27 as of February 6, 2013. These fees are for legal services provided to the Debtor in connection with this Chapter 11 proceeding. The Debtor will continue to incur professional fees in this matter until such time as a final decree is entered in this case. The Debtor cannot currently calculate the total amount of professional fees it will incur in this matter with any degree of certainty that could reasonably be relied upon. All such fees, however, are subject to being approved by the Bankruptcy Court prior to payment.

The Debtor has also incurred an administrative expense in the amount of \$4,861.17 to Travis S. Jackson of the law firm Lanier Ford Shaver & Payne, P.C., for attorney fees and expenses incurred in representing the Debtor in defense of a lawsuit filed against the Debtor on August 21, 2011. The Debtor will continue to incur professional fees in this matter until such time as a final decree is entered in this case. All such fees, however, are subject to being approved by the Bankruptcy Court prior to payment.

The Debtor has also attached hereto as Exhibit "B" an analysis of 1) the list of claims filed with the Bankruptcy Court; and 2) unfiled claims listed on Debtor's schedules. This schedule also indicates whether a claim is allowed or disputed. Exhibit B shall control and take precedence over any variance between Exhibit B and the schedules as to whether a claim is allowed or disputed. The analysis found on Exhibit B is incorporated herein by reference.

### **EVENTS WHICH LED TO CHAPTER 11 FILING**

The Debtor experienced positive growth for much of its existence. However, throughout much of fiscal year 2012, Debtor began to experience cash flow problems as a result of several orders for which shipment and ultimately payment was delayed. During this period of time, Debtor continued to incur expenses related to the performance of these contracts such as vendor and supplier payments. This caused the Debtor to become delinquent on its monthly obligations to PNC Bank. The delinquency caused a dispute in payment and timing between Debtor and PNC bank which lead to PNC filing an action in the United States District Court for the Northern District of Alabama styled *PNC Bank vs. Adept Technologies, LLC, Chad W. Fielder and Brad H. Fielder*, Case No. 12-02652.

The Debtor filed for relief under Chapter 11 of the Bankruptcy Code on October 31, 2012 in an effort to protect its assets and to continue as a going concern. At the point of filing, while the Debtor was facing significant problems with PNC the Debtor was also facing other claims and debts resulting from the cash flow problems described above. Ultimately, it was a combination of these factors that caused the Debtor to file for relief in order to preserve the “going concern” value of the company.

### **SUMMARY OF FINANCIAL CONDITION AND FEASIBILITY**

As indicated by Schedules A through J attached to the Petition, at the time the Debtor filed its Petition the Debtor had assets of approximately \$13,025,273.00 and liabilities (including contingent, unliquidated and/or disputed liabilities) exceeding \$11,128,004.27. Consequently, the Debtor was insolvent at the time it filed its Petition.

### **SUMMARY OF PLAN AND TREATMENT OF CLASSES UNDER THE PLAN**

The Plan will be summarized by incorporation of Article III: Treatment of Classes under the Plan, Article IV: Property of the Estate and Means of Execution of the Plan, and Article V: General Provisions of the Plan. Other provisions of the Plan are extremely important, especially Article I: Definitions. The Plan should be read in full.

**1.0 Administrative Expense Claims:** The following are the Administrative Expense Claims which are allowed or expected to be allowed. Except as stated below, otherwise provided in the Plan and except to the extent the Debtor and the holder of an Allowed Administrative Expense Claim agree to different and less favorable treatment, the Debtor shall pay to each holder of an Allowed Administrative Expense Claim, cash, in an amount equal to such Allowed Administrative Expense Claim, on or as soon as reasonably practicable after the later of (i) the Effective Date or (ii) the date such becomes an Allowed Administrative Expense Claim.

**1.01 Heard Ary, LLC:** The Debtor has incurred legal fees to Heard Ary, LLC in the approximate amount of \$26,595.27 as of February 6, 2013, for professional services rendered in this case. While the total amount of professional fees cannot currently be calculated all such fees, are subject to being approved by the Bankruptcy Court prior to payment. This administrative claim will be paid as allowed by the Bankruptcy Court.

**1.02 Lanier Ford Shaver & Payne, P.C.:** Travis S. Jackson of the law firm Lanier Ford Shaver & Payne, P.C. is entitled to an administrative expense in the amount of \$6,395.06 in attorney fees and expenses incurred for legal services provided to the Debtor in defense of a lawsuit filed against the Debtor in the United States District Court for the Northern District of Alabama styled *Tazewell Shepard, III, as Trustee for the Bankruptcy Estate of Bryant Harris v. KRB, LLC and Adept Technologies, LLC*; Case No. 5:11-cv-03073-AKK. This administrative claim shall be paid as

allowed by the Bankruptcy Court.

## 2.0 **Priority Claims:**

**2.01 Internal Revenue Service (“IRS”):** This class consists of the unsecured priority claim held by Internal Revenue Service which is impaired. The Debtor owes ADOR the sum of \$464,666.00 for withholding taxes of the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarters of 2012.

Allowed Priority Claims in this class shall be paid, settled and satisfied in full through the payment of deferred cash payments over a period of six (6) years from the date of assessment or if not assessed in six (6) years from the effective date of the confirmation of this plan or as may otherwise be provided in Section 1129 (a)(9) of the Bankruptcy Code.

**2.02 State of Alabama Department of Revenue (“ADOR”):** This class consists of the unsecured priority claim held by Alabama Department of Revenue which is impaired. The Debtor owes ADOR the sum of \$41,000.00 for withholding taxes of the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarters of 2012.

Allowed Priority Claims in this class shall be paid, settled and satisfied in full through the payment of deferred cash payments over a period of six (6) years from the date of assessment or if not assessed in six (6) years from the effective date of the confirmation of this plan or as may otherwise be provided in Section 1129 (a)(9) of the Bankruptcy Code.

## 3.0 **Secured Claims**

**3.01 First Volunteer Bank (“FVB”):** This class consists of the secured claim held by First Volunteer Bank which is impaired. The Debtor owes FVB the sum of \$129,536.00, which is secured by property located at 141 Nick Fitchard Road, Huntsville AL 35806. This creditor will retain its lien upon this collateral until such time as the debt is paid in full. The Debtor will pay, settle and satisfy this debt through monthly payments of \$943 per month commencing on effective date of the plan until said balance is paid in full.

**3.02 PNC Bank (“PNC”):** This class consists of the secured claim held by PNC Bank which is impaired. Pre-petition the Debtor owed PNC the approximate sum of \$6,200,000 which is secured by both real and personal property consisting of: 1) a first mortgage on real property located at 2865 Wall Triana Hwy, Huntsville AL; 2) a first mortgage on real property located at 527 Plummer Road, Huntsville, Madison County, Alabama; 3) a mortgage on certain real property located at Nick Fitchard Road as well as a security interest in the Debtor’s inventory, chattel paper, accounts, equipment and general intangibles.



Debtor shall pay, settle and satisfy the claims of PNC Bank as follows:

1. Upon the effective date of the Plan, to the extent necessary Debtor shall execute new promissory note with the PNC Bank to renew and replace the existing notes (“Notes”).
2. The Notes shall continue to be secured by the same collateral upon which PNC had a lien pre-petition according to its same priority.
3. Upon the effective date of the Plan, Debtor shall reinstate the payment terms on Loan 5920 and the Debtor shall commence making the regular monthly payment provided for under the existing note to PNC Bank.
4. Upon the effective date of the Plan, Debtor shall reinstate the payment terms on Loan 4430 and the Debtor shall commence making the regular monthly payment provided for under the existing note to PNC Bank.
5. Upon the effective date of the Plan, Debtor shall reinstate the payment terms on Loan 7510 and the Debtor shall commence making the regular monthly payment provided for under the existing note to PNC Bank.
6. Upon the effective date of the Plan, Debtor shall execute a new promissory note on line of credit and the Debtor shall commence making the regular monthly payments of \$12,364.20 per month to PNC Bank.
7. Upon the effective date of the Plan, Debtor shall execute a new promissory note for the leased equipment and the Debtor shall commence making the regular monthly payments of \$14,941.36 per month to PNC Bank.

**3.03 Southern Development Council, Inc. (“SDC”):** This class consists of the secured claim held by Southern Development Council, Inc., which is impaired. The Debtor owes SDC the sum of \$2,217,738.00, which is secured by property located at 2865 Wall Triana Highway, Huntsville, AL 35824. The Debtor will restructure this debt and assume the debt according to the terms and conditions of the existing finance agreement in place. This creditor will retain its lien upon this collateral until such time as the debt is paid in full.

**3.04 Southern Development Council, Inc. (“SDC”):** This class consists of the secured claim held by Southern Development Council, Inc., which is impaired. The Debtor owes SDC the sum of \$135,078.00, which is secured by property located at 527

Plummer Rd, Huntsville AL 35806. The Debtor will restructure this debt and assume the debt as restructured. This creditor will retain its lien upon this collateral until such time as the debt is paid in full.

**4.0 Non-Priority General Unsecured Claims:** This Class consists of all Allowed Unsecured Claims. These Claims are impaired. The total amount of Unsecured Claims exceeds \$279,973.51. These Claims are of every kind and nature including claims arising from deficiencies, services rendered, contract damage claims or open account claims, and damages arising from or related to any lawsuits, or un-liquidated or contingent claims. It also includes any debt which is filed as a Priority or Secured Claim but, which is allowed as an Unsecured Claim by the Bankruptcy Court. Holders of general unsecured Claims without Priority which are Allowed Claims shall be paid ten percent (100%) of their Allowed Claim over a period of 60 months from the effective date of the Plan.

**5.0 Equity Interest Holder:**

**5.01 Brad Fielder:** This Class consists of the equity shareholder of the debtor which consists of Mr. Brad Fielder who owns fifty one percent (51%) of the outstanding membership interests in Debtor. The claim of the equity interest holder is impaired. Mr. Fielder will retain his equity interest in the Debtor, he shall not, however, receive a distribution based on his Claim under the Plan until allowed Administrative claimants, Priority claimants and unsecured claimants have been paid or otherwise satisfied as provided for herein.

**5.02 Chad Fielder:** This Class consists of the equity shareholder of the debtor which consists of Mr. Chad Fielder who owns forty nine (49%) of the outstanding stock in Debtor. The claim of the equity interest holder is impaired. Mr. Fielder will retain his equity interest in the Debtor, he shall not, however, receive a distribution based on his Claim under the Plan until allowed Administrative claimants, Priority claimants and unsecured claimants have been paid or otherwise satisfied as provided for herein.

**THE CHAPTER 11 FILING AND POST-PETITION EVENTS**

On or about October 31, 2012, the Debtor filed a voluntary petition under Chapter 11, together with Schedule F. On or about November 15, 2012, the Debtor filed the remainder of its schedules along with the statement of financial affairs, 20 largest unsecured creditors, and a matrix. The Debtor timely filed its Application to Employ Heard Ary, LLC, as bankruptcy counsel. Upon consideration of Debtor's applications, the Court authorized the Debtor to employ this firm as bankruptcy counsel.

Upon filling its petition, the Debtor sought and obtained permission to continue to use its cash collateral.

The Debtor has also filed its monthly operating statements with the Bankruptcy

Administrator as required by the Court. These operating reports provide information concerning the Debtor's post-petition income and disbursements.

The Court scheduled February 28, 2013, as the bar date for all claimants to file proofs of claim, including governmental units and/or agencies.

### **ANALYSIS OF TRANSFERS WHICH MAY BE AVOIDABLE**

Debtors' Statement of Financial Affairs which has been previously filed with this Court identifies creditors to whom payments in excess of \$5,000.00 dollars were made within ninety (90) days prior to filing bankruptcy. An analysis of these transfers indicates that there may be defenses to some or all of these payments in the form of ordinary course of business and simultaneous exchanges for value. No decision has been made at this point on whether to pursue this claims.

### **EXECUTORY CONTRACTS AND LEASES**

Schedule G to the Debtor's Bankruptcy Schedules identifies certain pre petition agreements to which the Debtor had entered into including a consulting contract and leases on equipment needed for business operation.

Debtor is not aware of any additional executory contracts or unexpired leases to which it is a party. To the extent such exists it is to be rejected upon confirmation. All parties to any executory contract or lease rejected shall have thirty (30) days from the Confirmation Date in which to file a claim for damages, if any, resulting from such rejection or such claims will be disallowed and will not be eligible to participate in distributions under the Plan.

### **MEANS OF EXECUTION OF PLAN**

The Debtor, by continuing to operate its business, has increased the likelihood of the success of the Plan. Debtor will implement the terms of the Plan by making payments to creditors from Debtor's post-petition income. The Debtor by restructuring its debt has increased the likelihood of the success of the Plan. Debtor shall also execute such additional documents as are necessary to comply with the terms of the Plan.

### **RETENTION, ENFORCEMENT, AND WAIVER OF CLAIMS**

Pursuant to § 1123(b) of the Code, the Debtor shall retain and may enforce any and all claims of the Debtor, except claims waived, relinquished, or released in accordance with the Plan.

Notwithstanding the prior paragraph, no party in interest except the Debtor shall maintain or commence an action to recover a preference as defined in § 547(b) of the Code after Confirmation.

### **FEDERAL INCOME TAX CONSEQUENCES**

The tax consequences of the Plan to each party-in-interest will depend on the precise financial circumstances of that party. The debtor makes no representation with respect to the effects of the taxation (state or Federal) on the creditors with respect to the treatment of their claims under the plan, and no such representations are authorized. Any tax information contained herein is for informational purposes only. Parties in interest are urged to seek the advice of their own professional advisors should they have any questions with respect to any taxation issues.

The precise tax consequences to the Debtor resulting from its having filed Chapter 11 are not yet known. This may include, for example, income from discharge of indebtedness. The treatment by the Debtor of all allowed pre-petition tax claims shall be as provided for in Class Two, described herein. All taxes generated post-petition shall be paid by the reorganized Debtor as part of its ordinary course of business. As previously noted, the Debtor is current on all post-petition tax payments.

**POST CONFIRMATION LITIGATION AND OTHER MATTERS**

Debtor is reviewing issues that may or may not involve it in any post confirmation litigation matters.

Respectfully Submitted on this 28<sup>th</sup> day of February, 2013,

ADEPT TECHNOLOGIES, LLC

By: /s/ Brad Fielder

BRAD FIELDER

Its: Managing Member

/s/ Kevin D. Heard

KEVIN D. HEARD

Attorney for Debtor

Of counsel:

Heard Ary, LLC

307 Clinton Avenue West

Civic Plaza Suite 310

Huntsville, Alabama 35801

(256) 535-0817

kheard@heardlaw.com

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served upon Richard Blythe, the Bankruptcy Administrator, P.O. Box 3045, Decatur, AL 35602, and all creditors on the matrix as well as the twenty (20) largest creditors in this bankruptcy case as well as all those shown on PACER by electronic notice and/or United States Mail on the 28<sup>th</sup> day of February, 2013.

/s/ Kevin D. Heard

Kevin D. Heard

<b>Asset</b>	<b>Liquidation Value<sup>1</sup></b>	<b>Fair Market Value</b>	<b>Lien</b>	<b>Equity</b>
2865 Wall Triana Highway	\$3,990,000	\$5,700,000.00	\$5,119,691.00	\$580,309.00
141 Nick Fitchard Rd.	\$255,710.00	\$365,300.00	\$207,130.00	\$158,170.00
527 Plummer Rd	\$402,500.00	\$575,000.00	\$367,889.00	\$207,111.00
9.03 acres Dan Tibbs Rd.	\$630,000.00	\$900,000.00	\$568,979.00	\$331,021.00
11.33 Acres Nick Fitchard	\$793,000.00	\$1,133,000.00	\$756,191.00	\$376,809.00
Cash on Hand	\$340.00	\$340.00		
North Alabama Bank - Operating Checking Account	\$145,100.00	\$145,100.00		
PNC Bank - Operating Checking Account	\$700.00	\$700.00		
Huntsville Utilities Deposit	\$31,000.00	\$31,000.00		
Actual Billed Accounts Receivables	\$1,200,000.00	\$1,200,000.00	PNC float lien	
Unbilled Accounts Recievables	\$755,306.00	\$755,306.00	PNC float lien	
Ford F250; Izuzu Truck	\$60,000.00	\$60,000.00		
Office Furniture	\$183,200.00	\$183,200.00	PNC float lien	
Machinery, Equipment and Fixtures used in business.	\$1,383,428.00	\$1,976,327.00	PNC float lien	

<sup>1</sup> Liquidation value assumes fair market minus thirty percent discount. This discount may be more or less depending upon several factors including the market.

Exhibit "B"  
Schedule of Creditors based on  
Proof of Claim or Amount Scheduled

Adept Technologies, LLC  
Case No. 12-83490-JAC11

No.	Claimant	Secured	Unsecured	Priority	Contingent/ Disputed
01	MSC Industrial Supply Co.		\$1170.00		
02	Internal Revenue Service		\$550431.55	\$464666.32	
03	MSC Industrial Supply Co.		\$1699.11	\$529.11	
04	Ryerson Inc.		\$4932.74		
05	Jonathan Engineered Sol.		\$129,437.00		Y
06	First Commercial Bank, a division of Synovus Bank	\$288682.23			
N/A	First Volunteer	\$129,536.00			
N/A	PNC Bank	\$2,901,953.00			
N/A	PNC Bank	\$730,000.00			
N/A	PNC Bank	\$232,811.00			
N/A	PNC Bank	\$568,979.00			
N/A	PNC Bank	\$756,191.00			
N/A	Southern Development Council, Inc.	\$2,217,738.00			
N/A	Southern Development Council, Inc.	\$135,078.00			
N/A	Southern Development Council, Inc.	\$77,594.00			
N/A	State of Alabama Department of Revenue		\$41,000.00	\$41,000.00	
N/A	Apex Packaging		\$4,147.66		
N/A	Bisco		\$8,368.03		
N/A	Bryant Harris		Unknown		Y
N/A	Castle Metals		\$7,413.00		

N/A	Copeland's		\$7,730.50		
N/A	Ford Tool and Carbide Co.		\$4,483.33		
N/A	L. Miller		\$12,465.70		
N/A	LeaseSouth		\$0.00		
N/A	O'Neal Steel		\$11,393.18		
N/A	Optimal Consulting		\$5,700.00		
N/A	Pro Machine		\$9,200.00		
N/A	Quantitech		\$24,410.00		
N/A	R&D Tool Engineering		\$8,730.00		Y
N/A	Tool Source		\$5,877.98		
N/A	TW Metals		\$15,980.14		
N/A	Weaver and Sons		\$29,680.00		
N/A	Yarbrough Cable		\$4,956.99		