

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

IN RE:
BAR-B-QUING WITH MY HONEY, INC
Debtor

CASE NUMBER: 15-03308
CHAPTER 11

DISCLOSURE STATEMENT OF
DEBTOR-IN-POSSESSION
DATED: May 31, 2016

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I. INTRODUCTION

This Disclosure Statement is submitted by BAR-B-QUING WITH MY HONEY, INC, Debtor-in-Possession. On October 7, 2015, BAR-B-QUING WITH MY HONEY, INC, hereinafter referred to as “Debtor” filed this petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Alabama (the “Bankruptcy Court” hereinafter referred to as the “Court”). Since that date, Debtor has operated as a Debtor-in-Possession pursuant to Section 1108 of the Bankruptcy Code.

Debtor has prepared and submits this Disclosure Statement pursuant to 11 U.S.C. Section 1125 of the Code and Rule 3016 of the Bankruptcy Rules in connection with its solicitation of acceptances of its Plan of Reorganization. All future references to the “Plan” or to the “Proposed Plan” refer to the Plan of Reorganization.

The Disclosure Statement contains important information about the Plan. The purpose of this Disclosure Statement is to provide adequate information to the holders of claims to enable them to make an informed judgment about the merits of approving the Plan. The contents of this Disclosure Statement are the representation of the Company only and not of any of its attorneys, accountants or other professionals.

THIS DISCLOSURE STATEMENT, TOGETHER WITH THE PLAN OF REORGANIZATION WHICH IS ATTACHED, SHOULD BE READ IN ITS ENTIRETY. ADDITIONALLY, IT IS SUGGESTED THAT EACH CREDITOR CONSULT HIS OR HER OWN COUNSEL OR OTHER ADVISORS WITH RESPECT TO THE MATTERS CONTAINED IN THIS DISCLOSURE STATEMENT.

THE TERMS OF THE PLAN ARE SUMMARIZED IN THIS DISCLOSURE STATEMENT. HOWEVER, ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN ITSELF. THE PLAN IS CONTROLLING IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE DISCLOSURE STATEMENT AND THE PLAN.

THE ONLY REPRESENTATION THAT ARE AUTHORIZED BY THE DEBTOR CONCERNING IT, THE VALUE OF ITS ASSETS, THE EXTENT OF ITS LIABILITIES, OR OTHER FACTS MATERIAL TO THE PROPOSED PLAN ARE THE REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE PLAN OF DEBTOR OTHER THAN THOSE SET FORTH IN THIS STATEMENT ARE AUTHORIZED BY THE DEBTOR ANY REPRESENTATION OR INDUCEMENTS CONCERNING THE PLAN WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT WAS SUPPLIED BY DEBTOR. NONE OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBJECT TO AN AUDIT BY AN INDEPENDENT CERTIFIED ACCOUNTANT OR ANY OTHER PROFESSIONAL. DEBTOR IS NOT ABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS STATEMENT IS WITHOUT ANY INACCURACY; HOWEVER, DEBTOR HAS MADE DILIGENT EFFORT TO ENSURE THAT ALL SUCH INFORMATION IS ACCURATE AND FAIRLY PRESENTED.

AS THE HOLDER OF A CLAIM, YOUR VOTE IS IMPORTANT. THE COURT MAY CONFIRM THE PROPOSED PLAN IF IT HAS BEEN ACCEPTED BY AT LEAST TWO-THIRDS (2/3) IN AMOUNT AND MORE THAN ONE-HALF (1/2) IN NUMBER OF THE TIMELY RECEIVED BALLOTS BY HOLDERS OF ALLOWED CLAIMS OF EACH VOTING CLASS. IN THE EVENT THAT THE REQUISITE ACCEPTANCES ARE NOT OBTAINED, THE DEBTOR WILL REQUEST THE COURT TO CONFIRM THE PLAN AND THE PLAN MAY NEVERTHELESS BE CONFIRMED IF THE COURT FINDS THAT IT ACCORDS FAIR AND EQUITABLE TREATMENT TO THE CLASS OR CLASSES REJECTING THE PLAN, AND OTHERWISE COMPLIES WITH THE CODE.

THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTEREST OF THE HOLDERS OF CLAIMS AND INTERESTS. ACCORDINGLY, DEBTOR URGES THAT YOU ACCEPT THE PLAN AND PROMPTLY RETURN YOUR COMPLETED BALLOT SO THAT YOUR VOTE WILL BE COUNTED. IN ORDER TO BE TABULATED FOR PURPOSES OF SATISFYING THE LEGAL REQUIREMENTS, BALLOTS MUST BE RECEIVED AT THE ADDRESS SHOWN ON THE BALLOT NO LATER THAN THE DATE SET FORTH ON THE ACCOMPANYING ORDER OF THE COURT. YOU SHOULD REFER TO THE ORDER APPROVING THE DISCLOSURE STATEMENT AND SETTING SCHEDULES FOR VOTING AND CONFIRMATION WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT.

The Plan is an integral part of this Disclosure Statement, and a copy of the Plan is attached as Exhibit "A" and incorporated herein by reference.

In the opinion of Debtor, the Plan is the best available option for Creditors. Based on an examination of alternative to the Plan, it is the Company's belief that none of the other alternative afford Creditors as great a recovery as does the Plan.

THE DEBTOR URGES ALL CREDITORS AND HOLDERS OF CLAIMS TO ACCEPT THE PLAN.

II. CHAPTER 11 PROCEEDINGS

On October 7, 2015, the Debtor filed its voluntary petition for Chapter 11 relief pursuant to the Bankruptcy Code in the Bankruptcy Court for the Southern District of Alabama. The docket sheets for these Chapter 11 proceedings are maintained in the Office of the Clerk Mobile, Alabama. They set forth chronologically, all matters of record which have been filed with the Court since the date of the original petition.

Also on file with the Clerk of the Court, are the status reports of its financial conditions. These reports are required by the Court and the Debtor invites all concerned parties to inspect these records.

III. OWNERSHIP

The Debtor is keenly aware of its obligation and has made tremendous strides in the management skills and it is monitoring very closely its costs so that they are now able to generate sufficient income to meet its Chapter 11 obligation.

The Debtor invites all readers to review their monthly and quarterly reports on file with

the Court, as the Debtor believes they support its ability to achieve its goal of a successful reorganization.

IV. CLASSIFICATION OF LIABILITIES
AND SUMMARY OF THE TREATMENT OF CLAIMS UNDER THE PLAN

The liabilities of the Debtor, the classification of its claims, the treatment of these claims under the terms of the Plan, are herein summarized.

However, the reader is cautioned to remember that this summary is qualified in its entirety by the Plan, which Plan is controlling in the event of any inconsistency.

CREDITORS AND CLAIMANTS ARE URGED TO REVIEW CAREFULLY THE COMPLETE TEXT OF THE PLAN

CLASS ONE-NON-TAX ADMINISTRATIVE EXPENSES

1. The reasonable fees and expenses of those professional persons employed by the Debtor are administrative expenses subject to the Court's approval and shall be paid in full as soon as practical upon allowance by the Court.
2. The Debtor's Bankruptcy counsel, Barry A Friedman, has filed fee a Application with the Court in the amount of \$3,100.00. Debtor's Attorney's estimated additional eight (8) hours at \$200.00 per hour and \$150.00 in expenses or \$1,750.00 to finish up this case. The Debtor will pay the balance, plus any other fees approved by the Court within ninety (90) days of such Order approving additional fees an r eminbursement of expenses.

CLASS TWO TAXES: PRIORITY AND TAX ADMINISTRATIVE CLAIMS

The Debtor may owe pre-petition taxes in an amount as set forth in the allowed Proof of Claim as filed by the various taxing authorities with this Court.

- A. Each claim of the kind specified in Section 507 (a)(1), (2), (3),(4), (6) and (7) of the Bankruptcy Code will be paid 100% of the allowed amount as set forth below.
- B. The Debtor shall file all Post Petition tax returns when due and no provision imposing a bar date for Administrative Claims shall apply to the Debtor's Post Petition tax obligation.

- I. As to taxes owed to the Internal Revenue Service (ECF Claim Number One):
 - A. As to the Secured Claim of \$3,900.00 the Debtor proposes a monthly payment of \$85.00 plus interest which accrues at the Title 26 interest rate, which will be supplied by the IRS upon approval of payments by the Court, for forty-eight(48) months starting thirty (30) days from the entry of the Order approving the terms of these Adequate Protection payments.
 - B. As to the Priority Claim of \$10,509.83, the Debtor proposes to make a monthly payment of \$220.00 without interest for forty-eight(48) months starting thirty (30) days form the entry of the Order approving the terms of these Adequate Protection payments.
 - C. As to the Unsecured General Claim of \$109,555.57, the Debtor proposes to make a monthly payment of \$2085.00 without interest for forty-eight (48) months starting thirty (30) days from the entry of the Order approving the terms of these Adequate Protection payments.
 - D. Debtor shall act in full compliance with all Federal law, including the requirements for timely filing and payment of post-petition taxes and timely deposits of withheld taxes. .
 - E. Any breach of this agreement, after twenty (20) days written notice, sent by email and United States First Class mail, with a copy to counsel for Debtor, and opportunity to cure, is good cause for the lifting of the automatic stay to allow the United States to collect its secured tax liabilities.
2. The State of Alabama, has filed four(4) Proof of Claims:
 - A. The State Department of Revenue has filed Claim Number Three (3) on January 5, 2016 for Business Privilege Tax 2007 through 2013 for a total amount of \$906.03 and Debtor proposes to pay this in full within sixty (60) days of the effective date of the Plan of Reorganization.
 - B. The State Department of Revenue filed Claim Number Four (4) as a priority claim on January 5, 2016 for Corporate Withholding taxes for the tax period 2013 in the total amount of \$730.49 and the Debtor will pay claim in full within ninety (90) days of the effective date of the Plan of Reorganization.

- C. The State Department of Revenue filed Claim Number Five (5) as a priority claim on January 5, 2016 for Sales Taxes for the tax period 2013 through 2015 in the total amount of \$3,494.64 and the Debtor will pay claim over forty-eight (48) months without interest, at the rate of \$75.00 per month starting thirty (30) day from the effective date of the Plan of Reorganization.
 - D. The State Department of Revenue filed Claim Number Seven (7) as a priority claim on March 16, 2016 for Withholding Taxes for the tax period December 31, 2014 through September 30, 2015 in the total amount of \$735.95 and the Debtor will pay claim in full within one hundred twenty (120) days from the effective date of the Plan of Reorganization.
- 3. As to taxes owed to Mobile County as per the Proof of Claim filed by Kim Hastie, Revenue Commissioner being Proof of Claim Number Six (6) in the total amount of \$163.24 and the Debtor will pay this claim within forty-five (45) days from the effective date of the Plan of Reorganization.
 - 4. As to taxes owed to Town of Mount Vernon, Alabama as per the Proof of Claim being Proof of Claim Number Two (2) in the total amount of \$17,194.44 and the Debtor will pay its claim over forty-eight (48) months without interest at the rate of \$360.00 per month, thirty (30) day from the effective date of the Plan of Reorganization.
 - 5. As to all other tax claimants who were listed Creditors and who have chosen not to file a proof of claim these taxes, upon confirmation shall be considered null and void and be considered discharged and no longer a liability of this Chapter 11 Debtor.
 - 6. If the other Tax Claimants declares the Debtor or the successors in interest to be in default of the Debtor's obligations under the Plan, then they shall notify the Debtor of said default, by certified mail at Post Office Box 911, Mount Vernon, Alabama 36560 and also send a copy of said default notification to the Debtor's Chapter 11 attorney, Barry A Friedman and the Debtor shall have thirty (30) days to cure said default and if not so cured, the entire debt, together with any other unpaid current liabilities, shall become due and payable.

CLASS THREE-SECURED CREDITORS

None

CLASS FOUR-GENERAL UNSECURED CREDITORS

- A. As of May 12, 2016, which is well passed the Bar Date of January 22, 2016, there were no Unsecured Proof of Claims filed.
- B. This class is unimpaired.

CLASS FIVE- HOLDERS OF STOCK IN THE DEBTOR

The Debtor is incorporated and the holders of the Stock are:

- 1. Glenda Marks

IV. MISCELLANEOUS OPERATING PROVISIONS

The Debtor shall continue to administer its business affairs. For so long as any payments to Creditors provided in the Plan of reorganization remains unpaid, the Reorganized Company shall:

- A. Pay and discharge all taxes, assessment, and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it prior to the date upon which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any such properties, provided that it shall not be required to pay any such tax, assessment, charge, levy or claim that is being contested in good faith by proper proceedings or that was assessed prior to the Petition Date.
- B. Maintain insurance, including casualty insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar business and owing similar properties in the same general areas in which they operate.
- C. Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is necessary or desirable in view of its business and operations or the ownership of its properties and with respect to which failure to qualify would materially adversely affect its business or credit or any collateral.
- D. Comply with the requirements and all applicable laws, rules, regulations and order of any governmental authority, non-compliance with which would materially adversely affect its business or credit or any collateral.
- E. Maintain and preserve all of its properties, necessary or useful in the proper conduct

of its business, in good working order and condition, ordinary wear and tear excepted.

- F. Pay all liabilities, claims, or charges incurred or arising from and after the Effective Date.
- G. Not declare or pay any dividends on any of its stock now or thereafter outstanding, until in substantial compliance with the Plan.
- H. It is anticipated that the present management structure of the Debtor shall be retained throughout the life of the Plan.

V. RISKS OF THE PLAN AND PROJECTIONS

The ability of the Debtor to perform its obligations under the Plan is based upon the assumption that its sales will increase and that it can continue to control its operating expenses. However, because performance of the Plan is dependent upon the Debtor's favorable future sales and operating performance, there can be no guaranty or assurance that the Debtor will be able to perform its obligations under the Plan. (Please see attached Exhibit B)

VI. LIQUIDATION ANALYSIS

If this case were to be converted to a Chapter 7, a Trustee would take possession of all of the Debtor's assets and would eventually liquidate same. To assist the holders of claims, the Debtor has prepared the following table representing its estimate of the results of the liquidation of its property by the Chapter 7 Trustee. If the Debtor was liquidated, in addition to its Chapter 11 administrative expenses certain Chapter 7 administrative expenses, principally fees due to the Chapter 7 Trustee and his counsel, would be paid first out of any property not recovered by secured Creditors. Based upon this liquidation analysis, it would appear that the administrative expenses and priority claims would exceed any available cash, meaning that and the unsecured Creditors would likely receive no dividend.. The Debtor therefore believes that the Plan offers the prospect of substantially greater recovery to its Creditors than does a liquidation. When the Debtor filed Chapter 11 schedules it listed as assets the following items:

ASSET	BOOK VALUE	LIQUIDATIO N VALUE	SECURED CLAIM	EQUITY
Cash	\$100.00	\$100.00	\$0.00	\$100.00
Checking -Tax Account	\$200.00	\$200.00	\$0.00	\$200.00
Checking	\$2000.00	\$2000.00	\$0.00	\$2000.00
Misc Office equipment	\$200.00	\$200.00	\$0.00	\$200.00
Misc Restaurant Equipment	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00
Food Inventory	\$400.00	\$400.00	\$0.00	\$400.00
TOTAL	\$3720.00	\$3720.00	\$0.00	\$3720.00

VIII. MISCELLANEOUS CHAPTER 11 INFORMATION

1. EXECUTORY CONTRACTS:

N/A

2. ACCOUNTS RECEIVABLES: N/A

3. LITIGATION:

No litigation pending at this time.

IX. CONFIRMATION OF THE PLAN

A. Best Interests of Creditors Test: Since the filing date, Debtor has continued as Debtor-in-Possession for the purpose of maintaining its business and operations and preserving its going value, in contrast to the substantially diminished value of its assets upon liquidation as well as the additional liabilities that would arise under a Chapter 7 liquidation. The Debtor believes that its Creditors will receive under the Plan, on account of their claims, distributions, having a value as of the date of the confirmation of the Plan, an amount in excess of what that Creditor would receive if the Debtor was to liquidate under Chapter 7. This is commonly referred to as the “Best Interest of Creditors” standard.

The liquidation analysis prepared by the Debtor indicates that in the event of liquidation, little or no dividend would be available for distribution to general unsecured Creditors. The Debtor believes that its Plan, which does provide for a return to its general unsecured Creditors, satisfies the requirements of the Best Interest of Creditors Test.

B. Fair and Equitable Test: Section 11269 (c) of the Bankruptcy Code provides that a class of Creditors accept the Plan if the Plan is accepted by Creditors holding at least two-thirds in dollar amounts and more than one-half in number of the allowed claims in of such class held by Creditors that have voted to accept or reject the Plan. All classes which are impaired under the Plan are entitled to vote.

If all other confirmation requirements of Section 1129 (a) of the Code are met, the Court may confirm the Plan even though an impaired class has not accepted the Plan. The Court may so confirm the Plan upon finding that the Plan is fair and equitable under the provisions of Section 1129 (B) of the Code. The Debtor believes that the Plan it has proposed is fair and equitable and satisfies the requirements of Section 1129 (B) of the Code, and it may seek confirmation of the Plan even if the Plan has not been accepted by an impaired calls of Creditors.

C. Voting Procedures: Holders of claims and interest should carefully read the instructions contained on the ballot and complete, date and sign the ballot and transmit it to the address indicated on the ballot. In order for a claim or interest holder’s vote to be tabulated, the ballot must be received at the address indicated on the ballot no later than the date stated on the order which accompanies this Disclosure Statement. Failure to vote or a vote to reject the Plan will not affect a Creditor’s claim if the Plan is ultimately confirmed.

D. Hearing and Confirmation: The hearing on confirmation of the Plan will be scheduled by the Court, and you will be notified of this hearing by separate order which accompanies this Disclosure Statement. The Bankruptcy Court will confirm the Plan at the hearing only if the requirements set forth in Section 1129 of the Bankruptcy Code are satisfied.

Objections to confirmation of the Plan must be in writing and must be filed with the Clerk of the Bankruptcy Court and served on counsel for the Debtor on or before the date set by the Court.

E. Effect of Confirmation of the Plan: Confirmation of the Plan shall operate to discharge the Debtor of all claims and indebtedness that arose before the Chapter 11 was filed. All such discharged claims and indebtedness shall be satisfied by the payments, property, and other consideration to be distributed under the Plan. All property of Debtor's estate shall be free and clear of all claims and interest of creditors and equity security holders, except as otherwise provided in the Plan or by order of the Court. The provisions of the Plan shall bind the Debtor, as a Reorganized Company, and all other parties in interest, including every Creditor or interest holder whether or not impaired, and whether or not such Creditor or interest holder as accepted the Plan.

F. Consequences of Failure to Confirm the Plan: In the event that the requirements for confirmation of the Plan are not satisfied, the Debtor believes that it will be necessary to attempt to liquidate its assets under a revised Plan under Chapter 11, or convert this Chapter 11 case to a liquidating case under Chapter 7 of the Code or to dismiss its Chapter 11. As discussed above, the Debtor believes that upon liquidation, unsecured Creditors would receive little or nothing.

X-TAX ASPECTS OF DISTRIBUTIONS UNDER THE PLAN

The Debtor believes that under present law, there should be no federal income tax consequences in connection with the distribution to Creditors pursuant to the Plan other than consequences normally related to payment or partial payment of an obligation by a Debtor to a Creditor.

THE FOREGOING DESCRIPTION OF FEDERAL INCOME TAX CONSEQUENCES IS INTENDED MERELY AS AN AID FOR CREDITORS AND EQUITY SECURITY HOLDER, AND NEITHER THE DEBTOR NOR ITS COUNSEL ASSUMES ANY RESPONSIBILITY IN CONNECTION WITH THE INCOME TAX LIABILITY OF ANY SUCH CREDITOR OR HOLDER. CREDITORS AND EQUITY HOLDERS ARE URGED TO OBTAIN ADVISE FROM THEIR COUNSEL REGARDING THE APPLICABILITY OF FEDERAL AND STATE TAX LAWS.

XI- CONCLUSION

Please read this Disclosure Statement and the Plan carefully. After a decision is made, please vote by returning the ballot in a timely fashion. It is important that you exercise your right to vote.

The Debtor has proposed the Plan in good faith in order to enable its Creditors to receive the maximum repayment and to enable the Company to reorganize rather than to liquidate.

Accordingly, you are urged to vote in favor of the Plan.

Dated this 31st day of May, 2016

BAR-B-QUING WITH MY HONEY, INC

Debtor-in-Possession

By: /s/ _____

GLEND A MARKS

/S/ BARRY A FRIEDMAN

BARRY A FRIEDMAN

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