

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF ARKANSAS**

IN RE:)	
)	
C. BEAN TRANSPORT, INC.,)	Case No. 10-71360
)	(Chapter 11)
Debtor.)	

**DISCLOSURE STATEMENT SUBMITTED
BY C. BEAN TRANSPORT, INC.**

ARTICLE I.
Introduction

C. Bean Transport, Inc. (the “Debtor” or “C. Bean”), is the proponent (“Proponent”) of the Plan of Liquidation of C. Bean Transport, Inc. (the “Plan”), and respectfully submits the Plan dated August 17, 2010, attached hereto as Exhibit “A” for your consideration. Capitalized terms in this Disclosure Statement, unless defined herein, shall have the meaning as defined in the Plan. This Disclosure Statement is intended to provide information to all known Creditors and Interest Holders for use in deciding how to evaluate the operations and benefits of and how to vote on the Plan. Solicitation of acceptances of a plan is not permitted until a disclosure statement has been approved by the Bankruptcy Court. The Bankruptcy Rules and procedures governing solicitation of votes and balloting is described in more detail in Article XIII, Section 13.1, beginning at page 27.

ARTICLE II.
Concept of the Plan

C. Bean proposes in its Plan the liquidation of certain real estate to reduce mortgage debt and the continued retention of other real estate warehouse assets for operation. The Plan provides for payment of Allowed Administrative Claims within thirty (30) days of the Effective Date or as Holders thereof may agree. Holders of Allowed Unsecured Claims of \$250 or less or electing to reduce their claim to \$250 will be paid within thirty (30) days of the Effective Date.

Other allowed unsecured claims will be paid a *pro rata* distribution as provided in the Plan. The amount distributed to Creditors is dependent upon operations of C. Bean properties post-confirmation and results of actions on claims. Each holder of a Class 14 Allowed Unsecured Claim will receive *pro rata* payment after payment of Allowed Administrative Claims, Allowed Secured Claims, Allowed Priority Claims, and the post-confirmation expenses of administration of the Plan, and Class 13 Small Creditor Claims, as provided herein. The Plan proposes that existing Common Stock will be retained but will receive nothing under this Plan until and unless the Allowed Claims of all Creditors are paid in full. Otherwise, in the absence of any excess funds, the Plan provides no payment for equity.

As a general overview, subject to more detailed provisions of this Plan, C. Bean owns and operates the 271 Warehouse Facility and the Jenny Lind Facility.

The 271 Warehouse Facility, whose street address is 7001 Highway 271, Fort Smith, Arkansas, consists of approximately 7.721 acres on which three warehouse facilities described as Northern Warehouse, approximately 55,000 square feet; Middle Warehouse, approximately 30,500 square feet; and Southern Warehouse, approximately 43,500 square feet. An additional 5.37 acres of 271 Warehouse Facility undeveloped land lies adjacent to the 271 Warehouse Facility real estate. Bank Midwest asserts a secured claim in the amount of \$1,801,590 and secured by a first mortgage upon the 271 Warehouse Facility, including assignment of rents. FFCI asserts a second mortgage position on the 271 Warehouse Facility.

Pursuant to the Plan, the 271 Undeveloped Tract will be offered for sale and if sold proceeds net of costs of closing, commission, and transfer fees will be paid to Bank Midwest for reduction of the principal balance of the Bank Midwest Claim. The loan balance will be reduced accordingly. The balance of the 271 Warehouse Facility and 271 Undeveloped Tract if not sold

will be conveyed and retained by the Creditors Trust subject to existing liens of Bank Midwest and FFCI in their respective Pre-Petition priorities. Upon confirmation, the Creditors Trust will assume responsibility for debt service of the Bank Midwest Claim as provided herein, and proceeds of operation of the 271 Warehouse Facility will be committed accordingly.

In addition, the Millcreek Tract, which is adjacent to the Jenny Lind Property, will be sold by the Creditors Trust with proceeds therefrom paid, net of costs of closing commissions and transfer fees, to the holders of liens against the Millcreek Tract who are believed to be FFCI and First Source. Prior to sale the Creditors Trust will offer to convey title to FFCI of the Millcreek Tract for principal credit on the FFCI claim of \$500,000, subject to Court approval.

The Jenny Lind Real Estate consists of approximately 33 acres situated on the corner of Jenny Lind Road and Cavanaugh Streets in Fort Smith, Arkansas. The Creditors Trust will sell in separate tracts or in the aggregate the following identified parcels: (a) the Jenny Lind Corner; (b) the Jenny Lind Office Building; and, (c) the Jenny Lind Truck Repair Facility. All resulting proceeds net of costs of closing, commissions or transfer fees will be paid to ADFA for reduction of the principal debt due on the ADFA claim. At the request of ADFA, up until the Effective Date, as to each of the three tracts, prior to sale, ADFA shall be offered the respective tract for credit at the proposed sale price against the ADFA claim and mortgage debt. The Creditors Trust will retain and operate the two Jenny Lind Warehouse Facilities consisting of one warehouse of approximately 50,000 square feet and one warehouse of approximately 96,000 square feet. Proceeds from operation, as provided in the Plan, shall be utilized for payments to ADFA on a monthly basis on the ADFA Claim.

As a result of the foregoing actions the Creditors Trust will own and operate the Jenny Lind Warehouses and the 271 Warehouse, each subject to pre-petition and lien claims, reduced

by sale proceeds as provided in the Plan. The equity value and surplus operating reserves of these properties will be assets of the Creditors Trust for benefit of the unsecured creditors of Class 14 and Priority Unsecured Claims. In addition, various claims and recovery actions will be vested in the Creditors Trust.

ARTICLE III.

The Debtor

3.1. **Brief History Prior to Bankruptcy**

C. Bean was incorporated as an Arkansas corporation in 1991. It was originally formed for the purpose of providing transportation of treated and processed lumber products for lumber companies in Southern Arkansas, which included Curt Bean Lumber and Bean Lumber Company, both entities affiliated with C. Bean. C. Bean's initial operations were modest, consisting of approximately twelve (12) tractors and eighteen to twenty employees. C. Bean's initial business was as a contract carrier for the lumber companies, but C. Bean later sought and obtained authority as a for-hire carrier of other shippers. The business of C. Bean grew, as C. Bean began to attract other shippers as customers, in addition to Curt Bean Lumber and Bean Lumber Company.

In the early nineties, C. Bean acquired the trucking business of Hart & Hart Trucking Company ("Hart & Hart") of Morrilton, Arkansas. The trucking assets acquired consisted of approximately twenty (20) dry box vans and the associated business of Hart & Hart. Based upon this acquisition, C. Bean began providing van transport services in addition to flat bed transport. Shortly thereafter, C. Bean expanded into the Fort Smith area, from which location it operated its van division. The flat bed division was operated from inception through the Petition Date in Amity, Arkansas.

In approximately 2000, C. Bean acquired real estate consisting of approximately 32.96 acres at 7501 Jenny Lind Road, Fort Smith, Arkansas. In conjunction with original financing of the Jenny Lind Facility, an appraisal was prepared, for purposes of underwriting the loan, providing a then current market value of the "fee simple estate as proposed," to be \$8 million. The property described in the appraisal of the Jenny Lind Real Estate consisted of the Jenny Lind Office Building, consisting of two floors, one 8,265 square feet (finished), and a second floor of 8,265 square feet (unfinished), two Jenny Lind Warehouses, one comprised of 50,000 square feet and one comprised of 96,000 square feet, the Jenny Lind Truck Facility, a truck repair shop consisting of 20,500 square feet, and the undeveloped Jenny Lind Corner Lot, comprised of approximately 5.5 acres. The Jenny Lind Facility has been operated by C. Bean since 2001. In conjunction with the Jenny Lind Warehouses, C. Bean provided services in addition to rental of space to its tenants. Such services include transporting goods to the warehouse, unloading, receiving and stacking, and providing drayage service for short haul delivery of goods to customer's intended destinations. Historically, service rental income has run equal to or slightly exceeded base rental income.

On August 30, 2006, C. Bean purchased from Kinder Morgan Terminal Group, for the purchase price of \$2,200,000, the 271 Warehouse Facility, which consists of approximately 13 acres of real estate upon which three warehouse facilities identified as the Northern Building (54,026 square feet), Middle Building (33,397 square feet), and Southern Building (43,648 square feet) were situated, in addition to the 271 Undeveloped Tract consisting of 5.37 acres. The Middle Building is commonly referred to as a "steel warehouse," meaning that the atmospheric and climate control capabilities permit the facility to be used for the storage of steel goods. Traditionally, C. Bean has stored steel for customers, and this warehouse capability is

seen as a plus. In 2008, the roof of the Northern Warehouse was replaced at a cost of approximately \$150,000.

On May 4, 2009, the 271 Warehouse Facility was appraised at \$2,793,000, of which \$2,325,000 was attributable to the three warehouses and \$468,000 was attributable to the 271 Undeveloped Tract.

C. Bean generally operated on a profitable and growing basis. However, in late 2005 and early 2006, C. Bean began to replace certain of its fleet of tractors and trailers with new units. These replacement tractors and trailers were financed at a high percentage of loan to acquisition cost value, based upon market lending conditions available for Rolling Stock financing at the time. As a result of the financing of new Rolling Stock, C. Bean was able to and did receive substantial proceeds representing the equity of the tractors and trailers traded in at the time. A substantial portion of these proceeds were transferred, loaned, or advanced by C. Bean to Bean Lumber Company, which funds it is understood were used by Bean Lumber Company to finance a substantial mill upgrade of its facilities in 2007. The books and records of C. Bean reflect that Bean Lumber Company was an obligor to C. Bean in the amount of \$6,116,760, of which it is purported \$1,090,794 was "written off," as reflected in the 2008 Financial Statements of C. Bean. In addition, the 2008 Financial Statements reflect that Curt Bean Lumber owed accounts receivable to C. Bean of \$833,088 and notes and interest receivable of \$1,729,848, for an aggregate payable of Curt Bean Lumber to C. Bean of \$2,562,936. In addition, the 2008 financial data reflects receivables due from Stockholders, Officers, and others as follows:

Accounts Receivable	\$158,943
Notes and Interest Receivable	\$606,621

Notes Payable	\$820,478
Accounts Payable	\$86,495

These insider obligations have been consistently reflected upon the books and records of C. Bean and in its tax returns, but it is not known whether all of these transactions themselves have been reduced to writing, although some have. Bean Lumber Company, Curt Bean Lumber, and the Officers and Directors of C. Bean are all believed to be insiders of C. Bean under the Bankruptcy Code.

The Financial Statements further state that since the date of the 2008 Financial Statements, a new Chief Executive Officer was retained, and independent accounting consultants were retained and that C. Bean was sustaining current operations as a stand alone entity, and no longer participated in intercompany transactions and commingling of C. Bean funds with Curt Bean Lumber and Bean Lumber Company.

Trucking operations became more difficult beginning in 2008, as there was a substantial increase in fuel costs and a general decline in hauling activity. In addition, the 271 Warehouse Facility was not fully utilized. As a result, C. Bean began to experience financial difficulty. The downturn in business and lack of capital made it increasingly impossible for C. Bean to meet its obligations. The Jenny Lind Warehouse operations, however, have been generally profitable throughout this period and through this date.

3.2. **Brief History of Events Leading to Bankruptcy.**

Prior to commencement of this bankruptcy, secured creditors holding liens against the Rolling Stock of tractors and trailers of C. Bean brought legal action in the United States District Court for the Western District of Arkansas in which they sought and obtained an order appointing Richard Bell of Bell & Associates, LLC as Receiver for C. Bean in an action styled

1st Source Bank v. C. Bean Transport, Inc., et al., Case No. 6:10-CV-6006 RTD. During the period of the Receivership, the Receiver obtained a professional third-party valuation of the Rolling Stock. The Receiver also attempted to have C. Bean complete all outstanding transport contracts, and thereafter to return the tractors and trailers to central collection points for delivery to the respective lien holders.

This endeavor ran into difficulty as some asserting secured liens against the tractors, and others asserting liens against the accounts receivable of C. Bean could not agree upon use of cash collateral and allocation of cash proceeds. The District Court lacked authority to compel utilization of cash of some creditors in the preservation of assets of others, in what was essentially the suspension and liquidation of the over-the-road trucking business. In cooperation with the Receiver, this Case was commenced.

3.3. **Brief History of Events Subsequent to Bankruptcy.**

At the time of the commencement of this Case, the over-the-road trucking business had already been terminated, with tractors and trailers assembled at several diverse locations for redelivery to secured creditors. In some instances, tractors and trailers had actually been returned to the secured creditors. C. Bean was without unencumbered funds for operations and funding of premiums for critical insurance, including property and casualty, workers compensation, and other forms necessary to continue operations of the warehouse facilities. In addition, C. Bean leased necessary equipment to continue vital drayage operations. In order to continue drayage operations for tenants, C. Bean made arrangements with J.B. Transport, Inc., for use of four (4) tractors with a rental of \$10,000 per month, and conducted drayage without interruption utilizing C. Bean's employees. J.B. Transport tractors were used for approximately four (4) months prior to replacement with commercially leased tractors from CARCO, Inc. In

October, the CARCO tractors were replaced by tractors identified as belonging to C. Bean. In addition, C. Bean entered into a post-petition monthly lease agreement in May 2010 with Chambers Bank for eleven (11) van trailers for a monthly fee of \$250 per unit.

Sizeable accounts receivable with aggregate values approaching \$2,500,000 were outstanding on the Petition Date, subject to competing liens. The accounts receivable on the Petition Date of March 17, 2010, arising from over-the-road trucking operations, had an aggregate unpaid balance of \$2,282,333 and were claimed to be encumbered by the lien claims of GECC and FFCI. In addition, pre-petition accounts receivable from warehouse operations consisting of receipts for rental to tenants and for services rendered to tenants for warehouse services were outstanding. These warehouse accounts receivable were claimed to be encumbered by the mortgagee of the ADFA with respect to warehouse rentals at the Jenny Lind Warehouse and an asserted lien of FFCI in pre-petition warehouse services revenue associated with the Jenny Lind Warehouse. Accounts receivable associated with the 271 Warehouse were claimed to be subject to a lien asserted by Bank Midwest, with a second position asserted by FFCI. In addition, various liens were asserted against real property associated with all warehouse properties.

C. Bean determined that collection of the over-the-road accounts receivable required prompt and competent action. The workforce of C. Bean had been reduced to eleven (11) employees after pre-petition reduction in force. With the consent of GECC and FFCI, four (4) additional former employees were retained to collect the over-the-road accounts receivable on an independent contractor basis. Their efforts were funded from proceeds of collection from over-the-road accounts with consent of GECC and FFCI. A substantial portion of the over-the-road accounts, including an amount sufficient to fully retire the claims of GECC, have now been

collected. The GECC claim has been paid in the amount of \$2,143,915.51. The additional sum of \$102,378.67 has now been paid to FFCI as second lien holder. The independent collection contractors completed their service and no longer work for C. Bean, except for Lisa Nichols who became an employee of C. Bean at the conclusion of her independent contractor status. Work continues on collection of remaining over-the-road accounts.

Based upon agreements with the ADFA, the Jenny Lind Warehouses continued to operate without interruption on a positive cash flow basis. Operations have now been stabilized, and tenancy relationships maintained and serviced. Operation of the Jenny Lind Warehouses also required the continued performance of a drayage trucking service to deliver tenants' goods at the request of tenants. The Jenny Lind Warehouse required maintenance of a staff and equipment to manage and maintain tenants' assets, and operate the warehouses.

C. Bean negotiated three separate cash collateral orders, related to accounts arising from specific operations and properties. Initially, a cash collateral order was entered into with GECC and FFCI with respect to the over-the-road trucking. It provided no funding for general operations. Authorization for use of cash collateral under the GECC Cash Collateral Order ended on May 14, 2010. In addition, a cash collateral order was entered into with Bank Midwest for the continued operation and maintenance of the 271 Warehouse and provided funding for continued operations of the 271 Warehouse Facility. Finally, the Jenny Lind Warehouse, which represents the largest source of cash flow and employee utilization and expense, was agreed upon with the ADFA. C. Bean's objective was to maximize recovery, minimize cost, and preserve and protect value, which, in the view of C. Bean, reposed in the ongoing operations of the commercial warehouses and preservation of their residual commercial value. Full value of accounts receivable is always placed in jeopardy when the account creditor became a bankruptcy

debtor. However, C. Bean has collected substantially all its pre-petition accounts without discount.

Obtaining new or replacing existing insurance to cover property, liability, drayage, and workers compensation was an early challenge. All coverages were secured and, in two instances, financing of premiums was approved by the Court. Curt Bean advanced the annual workers compensation premium of \$22,479 to fund workers compensation insurance at a critical juncture, and has an administrative claim for such amount.

ARTICLE IV.

Operating History and Pro Formas

4.1. **Post-Petition Operating History.** The source of revenue for C. Bean on a post-petition basis has been the generation of accounts receivable for services rendered in connection with the operation of the two Jenny Lind Warehouses and the 271 Warehouse Facility. The Jenny Lind Facilities are generally fully leased to two commercial tenants. One tenant, Owens Corning, occupies the 96,000 square foot facility. The second facility is occupied by numerous tenants, all of whom have contractual relationships with the Whirlpool Corporation ("Whirlpool"), and who store their goods in the C. Bean warehouse, and utilize drayage service for delivery to Whirlpool. Neither of these tenants have written long-term leases. C. Bean has addressed concerns expressed by Whirlpool to assure that the goods of the C. Bean tenants are not subject to liens, claims, or any restraint, in order to assure that no circumstance arising from the bankruptcy or other right of C. Bean could impair the just-in-time delivery system vital to Whirlpool. Appropriate documents have been entered into and presented to the Court to address those concerns expressed by Whirlpool. C. Bean intends to enter into written term leases with its existing tenants, but at the present time is operating on a month-to-month basis. The 271 Warehouse Facility is not full, and there is substantial excess capacity available. C. Bean is

engaged in discussions with potential new tenants for the 271 Warehouse Facility, and have in October made arrangements to lease approximately 42,000 square feet to Owens Corning.

Initial operations of C. Bean, without virtually any available cash was difficult, because at the time of the commencement of the Case, virtually all insurance coverages were due or coming due for premium payment. With the filing of the bankruptcy, most insurers required annual premiums. In order to fund premiums, approximately twenty-five percent (25%) of the premium was paid from cash collateral with consent of the lenders. For property insurance for the warehouses and commercial truckers insurance, the Court was asked to approve and did approve financing of the insurance premiums. All insurance coverage is in place at this time, covering risks associated with the business operations, insuring property against casualty loss and C. Bean against general liability. Since the commencement of the Case through July 30, 2010, post-petition services and rents are as reported below:

	Petition Date Through 3/31/2010	Month Ending 4/30/2010	Month Ending 5/31/2010	Month Ending 6/30/2010	Month Ending 7/31/2010	<u>Year to Date</u>
Gross Sales	\$47,165.63	\$147,449.71	\$115,004.81	\$120,368.21	\$98,942.81	\$528,931.17
Total Expenses	\$21,723.65	\$75,051.35	\$84,359.74	\$58,622.19	\$87,704.68	\$327,461.61
Net Income	\$25,441.98	\$72,398.36	\$30,645.07	\$61,746.02	\$11,238.13	\$201,469.56

Above does not include pre-petition cash collateral received or disbursed.

Pursuant to the ADFA Cash Collateral Order, C. Bean is authorized to use \$20,000 of Rent income from the Jenny Lind Warehouses and is to remit the balance of collected Rent Income to ADFA, after establishing a \$75,000 reserve. As of September 15, 2010, C. Bean had utilized \$20,000 of cash collateral of ADFA for June 2010, and had remitted \$23,664.89 to ADFA as excess cash and adequate protection payments. In addition, in July 2010 \$20,000 was

utilized and approximately \$14,032.30 was paid to ADFA. In August 2010, \$20,000 was utilized and \$23,912.16 was paid to ADFA. The reserve account stands at approximately \$65,000.

In addition, accrued account receivables, which are generally current and outstanding for collection as of October 2, 2010, of approximately \$250,000, of which amount approximately \$92,000 is associated with rental income and the balance with service revenues. A *pro forma* budget has been developed for operation of the warehouse, a copy of which is attached hereto as Schedule 4.1. It has taken some time to establish a normal budget, because in the early months annual insurance premiums came due as extraordinary expenses, and additional expenses associated with truck rental also became due. As noted earlier, initially, C. Bean rented four (4) tractors from J.B. Transport, an affiliated entity, for the fee of \$10,000 per month. C. Bean accrued this expense for the first four months, and determined that it was entitled to a credit of \$15,820 against such rental, based upon the usage by J.B. Transport of seven (7) 48' Chaparral aluminum trailers. C. Bean asserted the offset against obligations due to J.B. Transport. J.B. Transport has not agreed with the offset. A final payment with offset to J.B. Transport will be made in the month of August. J.B. Transport has returned five (5) of the 48' Chaparral trailers advising it never had possession of the other two (2). The condition of the five (5) returned trailers was such that C. Bean likely will demand an additional offset, based upon the condition and use of the trailers with wear and tear above normal usage.

4.2. **Post-Confirmation Projected Performance.** Operating revenues from the Jenny Lind Warehouses suggest that the property can be operated at a profitable basis. However, the debt service due to the ADFA is approximately \$55,000 per month. This includes debt service on all tracts, in addition to the Jenny Lind Warehouses. In other words, the non-income

producing assets, consisting of the Jenny Lind Office Building, the Jenny Lind Truck Repair Facility, and the Jenny Lind Corner Lot stand as collateral for the ADFA Claim, but provide no revenue toward payment. The 271 Warehouse is subject to a cash collateral order through the month of November 2010. A copy of the anticipated budget for the months after August and actual expenditures through July is appended hereto as Schedule 4.2.

C. Bean contemplates that the post-confirmation projected performance is as follows. It assumes that fifty percent (50%) of the available space in the 271 Warehouse Facility could be leased for a rate of at least 17¢ per square foot for additional monthly rental of \$11,000. These operating revenues do not take into account recoveries from other sources, cash on hand, accounts receivable on hand, or recoveries on any claims on the insider receivables.

ARTICLE V.

Assets and Liabilities of the Debtor

5.1. **Assets.** The assets of the Debtor generally consist of the Jenny Lind Real Estate, the 271 Warehouse Facility, the Millcreek Tract, certain equipment, consisting of tractors, trailers, forklifts, and furnishings, accounts receivable in the aggregate amount of \$250,000 as of October 2, 2010, cash on hand in the amount of \$82,000, and certain recovery claims in amounts undetermined. Pursuant to the Plan, all of the assets of C. Bean, whether now known or not, and wherever located, including causes of action and Chapter 5 actions, are to be conveyed to the Creditors Trust. The 271 Undeveloped Tract, the Millcreek Tract, the Jenny Lind Office Building, the Jenny Lind Truck Repair Facility, and the Jenny Lind Corner Lot are to be disposed of by the Creditors Trust in a manner of sale to recover maximum proceeds. Provided that upon request of ADFA made before the Effective Date, the Jenny Lind Office Building, the Jenny Lind Truck Repair Facility and/or the Jenny Lind Corner lot will be transferred to ADFA at agreed values for reduction of the ADFA claim. Resulting sale proceeds, net of costs,

commissions, and transfer fees, will be paid to the respective holder of mortgage or liens against the property, in accordance with their priority with the intended result of substantial reduction of debt. To the extent that the assistance of the Court is necessary to determine entitlement to sale proceeds, consistent with pre-petition liens and claims, and this Plan, such rights are expressly reserved under the Plan for presentation to the Court.

5.2. **Leases and Executory Contracts.** The Plan does not propose to assume leases or executory contracts which existed on the Petition Date, except as expressly noted prior to confirmation. All other leases and executory contracts shall be deemed rejected by the Confirmation Order.

5.3. **Claims Against C. Bean.**

(1) **Secured Claims.** As noted in the Plan, Secured Claims against C. Bean are as follows:

(a) **Class 4: GECC Claim.** This Claim has been satisfied and paid in full, and receives no benefits or payments under the Plan.

(b) **Class 5: ADFA Claim.** This Claim is secured by real estate assets as noted in the Plan, principally called the Jenny Lind Real Estate, and rental proceeds arising therefrom. The Plan contemplates reduction of the ADFA Claim and underlying debt as a result of sale of assets subject to the ADFA mortgage or transfer of such assets to ADFA prior to the Effective Date. The Plan contemplates payment of interest only at 6% per annum for 12 months after the Effective Date, and thereafter for 48 months payment of a monthly installment amortized over 15 years, with interest at 6% per annum.

(c) Class 6: Bank Midwest Claim. This Claim is secured by a mortgage lien and assignment of rents in the 271 Warehouse Facility. The Plan contemplates reduction of the Bank Midwest Claim as a result of sale of the 271 Undeveloped Tract, and payment to Bank Midwest of interest only at 6% per annum for 12 months after the Effective Date, and thereafter for 48 months payment of a monthly installment amortized over 15 years, with interest at 6% per annum.

(d) Class 7: Diamond Bank Claim. This Claim is subject to objection. If allowed it will reduce its collateral at value and an Unsecured Claim.

(e) Class 8: FFCI Claim. This Claim is secured by security interest in the remaining over-the-road accounts receivable of \$102,378.67 (plus other amounts in collection), the pre-petition warehouse service revenue (which has been paid in the amount of \$75,057, with the sum of \$10,692 remaining), borrowed pursuant to cash collateral order, a first lien in the Millcreek Tract, and a second mortgage on the 271 Warehouse Facility.

(f) Class 9: Chambers Bank Claim.

(g) Class 10: 1st Source Claim.

(h) Class 11: Southern Bancorp Claim.

(i) Class 12: MHC Claim.

With the exception of those creditors listed in subsection (a), (b), (c), and (d), each of these Creditors listed (e) through (i) is a lender for Rolling Stock. Each has filed a Proof of Claim, but the amounts thereof have not yet been determined, based upon reduction of a credit for Rolling Stock proceeds subject to the liens of the respective

Creditors, pursuant to standards of commercial reasonableness. After credit for collateral value is deducted, Creditors listed in subsections e, f, g, h, and I will have an unsecured claim for any remaining deficiency.

(2) **General Unsecured Claims.**

Most of C. Bean's Creditors fall into the category of general unsecured creditors. The amount of Unsecured Claims are estimated to total approximately \$4,000,000 to \$4,500,000. The exact amount can only be determined when all objections to Claims have been resolved. Unsecured Creditors have been placed in Class 14 of the Plan. Unsecured Creditors holding a claim less than \$250 are placed in Class 13 of the Plan. The amount of Class 13 Claims are estimated to be less than \$7,500. It is impossible to estimate how many Class 14 Creditors will elect Class 13 treatment, or the amount of such claim elections.

(3) **Administrative Claims.**

Under the Bankruptcy Code, the actual, necessary costs and expenses of preserving the estate; i.e., administrative claims, must be paid in full under a Chapter 11 plan. Costs of operating the business incurred while in Chapter 11 are ordinarily paid without the need for Court approval. Administrative claims that the Bankruptcy Code requires C. Bean to pay on or before the Effective Date of the Plan include the remaining fees and expenses incurred by the professionals as well as the quarterly fee due to the United States Trustee. Administrative claims are set forth in Article IV of the Plan. Administrative claims, pursuant to the Bankruptcy Code, are required to be paid in full on or before the effective date of the Plan upon approval by the Bankruptcy Court or paid otherwise by agreement. To date, the following professional fees have been approved and retainers have been applied. The following professionals have been retained:

Professional	Retainer	Approval Fees & Expenses
Doerner, Saunders, Daniel &	\$31,260.53	\$192,906

Anderson, L.L.P., Counsel for Debtor		
Smith, Cohen & Horan	\$5,000	\$34,500
Funds Reserved Post-Petition per Cash Collateral Order	\$26,000	

(4) **Priority Claims.**

Claims entitled to priority are paid before Claims of general unsecured creditors under the Plan, consistent with the Bankruptcy Code. Payment, however, is dependent upon the availability of funds to make payments. Priority Wage Claims have been placed in Class 1, and are estimated not to exceed \$45,000. Priority Contribution Claims have been placed in Class 2, but are not expected to be consequential, and Priority Governmental Claims have been placed in Class 3.

(5) **Subordinated Claims.**

Pursuant to the Bankruptcy Code, claims may be subordinated to other creditors in certain circumstances, including improper dealing or action by the creditor. Subordinated creditors are placed in Class 15.

(6) **Claim Review and Objection.**

The Creditors Trust will conduct a review of Creditor Claims within one hundred twenty (120) days of the Effective Date, and will file within such period all objections to Claims. The majority of Claims consist of C. Bean's product vendors who supplied goods pre-petition or Rolling Stock Deficiency Claims. These Vendor Claims are generally confirmable with modest effort to verify the appropriateness of charges and application of payments and credits.

ARTICLE VI.

Summary of the Plan

SOME PROVISIONS OF THE PLAN ARE NOT DESCRIBED IN THIS DISCLOSURE STATEMENT. EACH CREDITOR SHOULD REFER TO THE PLAN

ITSELF FOR A FULL ANALYSIS OF ITS CONTENTS. IN THE EVENT OF ANY DIFFERENCE BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE PLAN WILL CONTROL.

The Plan is dependent upon the following:

1. Successful sale of real estate to be sold and reduction of debt accordingly.
 2. Successful Post Confirmation operation of the Jenny Lind Warehouses and the 271 Warehouse Facilities.
 3. Collection of recovery actions.
- 6.1. **General Overview.**

The Plan is a liquidating plan. It proposes to pay Creditors from funds on hand and funds generated from the continued operation of C. Bean's warehouses after payment of amounts due to holders of liens against the assets as provided in the Plan. The Trustees will administer the Plan and make payments according to the terms contained therein.

6.2. **Classification of Claims and Treatment.**

The Plan classifies claims in the following classes:

<u>Class</u>	<u>Description</u>
1	<u>Allowed Priority Wage Claims.</u> Allowed claims pursuant to § 507(a)(4) of the Bankruptcy Code. Class 1 includes employee wage claims, including accrued vacation pay, up to \$10,950 per claimant.
2	<u>Allowed Priority Contribution Claims.</u> Allowed claims pursuant to § 507(a)(5) of the Bankruptcy Code. Class 2 includes employees' claims for contributions to employee benefit plans of C. Bean, not to exceed \$10,950, multiplied by the number of employees less the amount of allowed Class 2 claims.
3	<u>Allowed Governmental Claims.</u> Allowed claims pursuant to § 507(a)(8) of the Bankruptcy Code. Class 3 includes all priority tax claims of governmental agencies.
4	<u>GECC Claim.</u> This Claim is a Secured Claim asserted by GECC in the amount of \$2,143,915. The GECC Claim was secured by certain collateral of C. Bean, principally certain uncollected Pre-Petition

Accounts Receivable generated from over-the-road trucking operations. this Claim has been fully paid.

- 5 ADFA Claim. This Class consists of the Secured Claim of ADFA, encumbering the Jenny Lind Real Estate in the amount of \$5,459,151.
- 6 Bank Midwest Claim. This Claim in the unpaid amount of \$1,805,590.60 secured by a first priority lien in the 271 Warehouse Facility and Rents.
- 7 Diamond Bank Claim. Diamond Bank asserts a claim against C. Bean as guarantor of obligations of Curt Bean Lumber in the amount of \$1,158,355, and asserts that such claim is secured by a lien against certain real estate in Pike, Montgomery, and Logan Counties, Arkansas.
- 8 FFCI Claim. FFCI's claim, in the principal amount of \$1,435,244.32 shall be reduced by credit against the principal amount by the following (a) amount of proceeds recovered from the liquidation of Rolling Stock subject to FFCI liens and security interests; (b) proceeds of over-the-road Pre-Petition receivables in the amount of \$102,378.67, together with additional receipts from the same; and (c) the amount of \$75,057 paid to FFCI in connection with collection of certain Pre-Petition accounts receivable for Jenny Lind Warehouse service receipts.
- 9 Chambers Bank Claim. This Class consists of the Allowed Secured Claim of Chambers Bank to the extent of the value of Rolling Stock Collateral liquidated at commercially reasonable value, or leased to Debtor, applied against the principal balance of its Claim. To the extent the Allowed Secured Claim exceeds the value of collateral, Chambers Bank will have a Rolling Stock Deficiency Claim.
- 10 1st Source Claim. This Class shall consist of the Allowed Secured Claim of 1st Source to the extent of the value of Rolling Stock Collateral liquidated at commercially reasonable value, applied against the principal balance of its Claim. To the extent the Allowed Secured Claim exceeds the value of collateral, 1st Source will have a Rolling Stock Deficiency Claim.
- 11 Southern Bancorp Claim. This Class shall consist of the Allowed Secured Claim of Southern Bancorp to the extent of the value of Rolling Stock Collateral liquidated at commercially reasonable value, applied against the principal balance of its Claim. To the extent the Allowed Secured Claim exceeds the value of collateral, Southern Bancorp will have a Rolling Stock Deficiency Claim.
- 12 MHC Claim. This Class shall consist of the Allowed Secured Claim of MHC to the extent of the value of Rolling Stock Collateral liquidated at commercially reasonable value, applied against the principal balance of its claim. To the extent the Allowed Secured

Claim exceeds the value of the collateral, MHC will have a Rolling Stock Deficiency Claim.

- 13 Small Creditors Class. This Class consists of holders of Unsecured Claims which amount does not exceed \$250, or those holders of Unsecured Claims in larger amounts who have elected to reduce their Claims to the amount of \$250 be treated as a Class 13 Creditor.
- 14 Unsecured Claims. Class 14 Claims consist of all Unsecured Claims which exceed \$250 in amount. Holders of Unsecured Claims exceeding \$250 may elect to have their Claims reduced to \$250 and treated as Class 13 Claims, and upon such election, will forfeit any Claim in excess of \$250. This Class includes the Rolling Stock Deficiency Claims to the extent a holder thereof has an Allowed Unsecured Claim for deficiency on its Secured Claim after liquidation of its inventory in a commercially reasonable manner.
- 15 Interests. This Class includes the stock interest in C. Bean, a privately held company, which shares existed on Petition Date. The members and their interest are as follows: Curtis Bean (75%), Tim Bean (10%), and the Leroy Living Trust (15%). No benefits will be paid to this Class unless the Creditors Trust has an excess of funds after payment of all Allowed Claims. Such excess will be distributed *pro rata* in accordance with stock ownership percentages.
- 16 Subordinated Claim. This Class consists of the Unsecured Claims subordinated pursuant to 11 U.S.C. § 510.

ARTICLE VII.

Administration after Confirmation of the Plan

Assets of C. Bean, as provided in the Plan, will be transferred to the Creditors Trust. The Creditors Trust will proceed with efforts to sell the (a) Millcreek Tract, (b) the 271 Undeveloped Tract, the Jenny Lind Corner Lot, the Jenny Lind Truck Repair Facility, and (c) the Jenny Lind Office Building, unless transferred to ADFA at its request. Upon sale, and after deducting costs, commissions, and transfer fees, the amounts received (or credit for value in the instance of ADFA) will be paid or credited to the holders of the liens in accordance with their priority. The secured claims will therefore be reduced upon receipt of the payment accordingly, and the loans will be reduced, and payments made pursuant to the Plan, based upon the declining balance.

The Creditors Trust will hold title to the Jenny Lind Warehouses and the 271 Warehouse Facility, and will continue to operate the same. Proceeds generated from the operations of the Jenny Warehouses will be utilized to make payment on the reduced loan to ADFA. The proceeds from the 271 Warehouse Facility will be utilized to make payments on the reduced loan to Bank Midwest. The properties will continue to be operated, with excess proceeds available for Beneficiaries as defined in the Plan. Proceeds, after deducting costs of sale, commissions, and transfer fees, shall be held by the Creditors Trust to the extent an excess of the amount necessary to discharge liens against the property being sold, for distribution to the Beneficiaries. Pursuant to the Plan, Old Stock and the holders thereof receive nothing under the Plan, except for a contingent claim, in the event that all Allowed Claims in this Case have been paid in full by the Creditors Trust. In the event that such occurs, the Trustees shall pay to the Old Stockholders, or their designees, a portion of the excess cash, based upon their percentage ownership of the Old Stock.

7.1. **Disputed/Undetermined Claims.**

C. Bean will not make any payments on any Disputed or Undetermined Claims, but will reserve from distribution funds necessary to fund such claims in amounts asserted, pending claim resolution. Upon the Confirmation Date, any Claims scheduled as disputed for which a Creditor did not file a proof of claim and all Claims listed on Schedules as unknown or as zero will be disallowed, if a Proof of Claim has not been filed. However, if a Creditor is originally scheduled by the Debtor as disputed filed a Proof of Claim, the Claim will continue to be treated as a Disputed Claim.

ARTICLE VIII.
Effective Date of the Plan

The effective date of the plan; i.e., when it goes into effect, will occur on the 60th day after the Confirmation Order is entered.

ARTICLE IX.

Release and Exculpation

THE PLAN PROVIDES THAT C. BEAN AND ITS COUNSEL SHALL BE RELEASED AND EXCULPATED FROM ANY CLAIM OR LIABILITY TO ANY HOLDER OF A CLAIM OR INTEREST HOLDER FOR ANY ACT OR OMISSION IN CONNECTION WITH, OR ARISING OUT OF, THE CHAPTER 11 CASE, THE CONFIRMATION OF THE PLAN, THE CONSUMMATION OF THE PLAN, OR THE ADMINISTRATION OF THIS PLAN, EXCEPT FOR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

ARTICLE X.

Alternative to the Plan

The only alternative to the Plan known by the Proponent is the conversion of the Case to one under Chapter 7 of the Bankruptcy Code, in which a trustee would be appointed to liquidate C. Bean's assets and administer the estate. C. Bean has examined the potential recoveries to Creditors if this Case was converted to one under Chapter 7 of the Bankruptcy Code and have concluded that distributions to Creditors under the Plan will – at its worst – equal any distribution to Creditors if the Case were converted to Chapter 7 of the Bankruptcy Code. The principal assets of C. Bean, consisting primarily of Real Estate, are subject to liens as noted. In the real estate market which exists at this time, also considering availability of commercial credit, realization of equity for the benefit of Unsecured Creditors is problematic. The Plan provides for the sale of certain real estate, not believed at this time to be capable of generating revenue, with retention of income producing parcels to generate revenue and preserve equity.

The prospects of excess earnings and equity will benefit Unsecured Creditors in excess of liquidation value.

The Proponent believes that the Plan provides a superior alternative to Chapter 7. Any appointed Chapter 7 trustee would have to become familiar with this Case and hire new attorneys and other professionals to assist in administering the Estate and liquidating C. Bean's assets and the continuity of employees could be placed at risk. In addition, the Chapter 7 Trustee would have to cease the operations of C. Bean, and liquidate the assets of C. Bean during a difficult time in the market.

Should the Case be converted to one under Chapter 7 of the Bankruptcy Code, the Chapter 7 Trustee's fees would be based upon a percentage of assets distributed at three percent (3%) over 1,000,000.

ARTICLE XI.

Confirmation of the Plan

The Plan must be accepted by a sufficient number of Creditors to be confirmed. Whether this requirement is met is determined by counting the votes cast in each Class. The Bankruptcy Code requires that the Plan be accepted by at least one Class that is impaired by the Plan. Under the Bankruptcy Code, a Class has accepted the Plan if, counting all holders of claims that vote in a Class, the holders of (i) at least 2/3 of the aggregate dollar amount and (ii) more than 1/2 in number of the Allowed Claims vote to accept the Plan.

If at least one Class accepts the Plan, the Proponent may ask the Bankruptcy Court to confirm the Plan even if other Classes have voted against it. The Bankruptcy Code sets a minimum standard that the Plan must meet in order to confirm the Plan despite its rejection by one or more Classes. If an unsecured Class impaired by the Plan rejects it, no claim or interest that is junior to the most senior unsecured rejecting Class may retain or receive property under

that Plan on account of its junior Claim or interest in any property unless the senior Class will be paid in full.

Section 1129 of the Bankruptcy Code contains other criteria that the Bankruptcy Court must find have been met before it may confirm a plan of reorganization. One criterion, which is applicable unless every holder of a claim in a particular impaired class has voted to accept the Plan, is that the amount to be received under the Plan by each holder of a claim in that Class is not less than the amount such holder would receive in a hypothetical liquidation of the Debtor's assets.

To calculate what members of each impaired Class would receive in this hypothetical liquidation, it must first be determined the dollar amount that would be generated from the liquidation. From the gross amount of funds received from liquidation the cost of the liquidation (including fees of professionals), the unpaid expenses of the reorganization proceeding, and other obligations that would have priority under bankruptcy law are subtracted. These costs, and any other expenses that would be incurred in the hypothetical liquidation and which were actually incurred in the current reorganization proceedings, would be paid in full before any proceeds of liquidation would be available to pay Unsecured Creditors. Also, the proceeds of sale of any property that was collateral for any Secured Claim would be paid first to the Secured Creditor who held the security interest. Any funds remaining after the subtraction of these costs, expenses, and claims would be paid, pro rata, to the holders of Allowed Unsecured Claims in this hypothetical liquidation case. If the Plan provides for an equal or greater payment to these Creditors than the hypothetical liquidation, it meets this criterion of the Bankruptcy Code. C. Bean believes that each Creditor will receive under the Plan an amount that is greater than the amount such Creditor would receive if C. Bean were liquidated under a Chapter 7.

Section 1129 of the Bankruptcy Code provides that the Bankruptcy Court shall not confirm a plan of reorganization unless the plan is feasible (that is, its confirmation is not likely to be followed by liquidation or the need for further financial reorganization). The Proponent has concluded that the Plan satisfies this criterion.

ARTICLE XII.
Miscellaneous Matters

12.1. **Risk Factors.**

A. **Competitive Business and Inadequate Capital to Fund Business.**

C. Bean is engaged in a competitive business. Its principal competitors are often larger and well-financed entities. C. Bean, however, maintains well situated and well constructed warehouse facilities near the broad line distributor and in view of current high energy costs, the ability to provide services due to key industrial sectors of Fort Smith, Arkansas. C. Bean operates on limited capital for operations. These factors make operations by the Creditors Trust difficult.

B. **Undetermined Status of Future Rental.**

The occupancy of the 271 Warehouse Facility is low. Increased occupancy will substantially improve monthly operations. The Jenny Lind Warehouses are not subject to long-term lease agreements and are currently leased on a month-to-month basis.

C. **Federal and State Income Taxes.**

A detailed tax accounting has not been prepared at this time. It is anticipated that tax returns will be prepared and filed by C. Bean through the date of its existence and any tax owing will be paid before a distribution to Creditors. Creditors and Interest holders should seek counsel on the separate tax treatment of their interests.

D. **Tax Consequences.**

The federal income taxation of reorganizations under the Internal Revenue Code is complex and, on many issues, not well settled. Neither a ruling from the Internal Revenue Service nor an opinion of counsel has been requested or will be obtained with respect to the federal income tax consequences of the Plan.

THE PROPONENT ASSUMES NO RESPONSIBILITY FOR, AND MAKES NO REPRESENTATIONS REGARDING THE EFFECT THE CONSUMMATION OF THE PLAN WILL HAVE ON THE TAX CONSEQUENCES TO ANY CREDITOR OR INTEREST HOLDER. THEREFORE, CREDITORS AND HOLDERS OF INTERESTS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF THE PLAN, TAKING INTO ACCOUNT THEIR PARTICULAR TAX SITUATIONS.

ARTICLE XIII.

Bankruptcy Procedures Governing
Solicitation of Votes, Voting, and Confirmation

13.1. **Explanation of Chapter 11.**

Chapter 11 is the main reorganization section of the United States Bankruptcy Code. In Chapter 11, a debtor is authorized to reorganize, or liquidate, its business for its own benefit and that of its creditors and owners, by submitting a written plan for consideration, accompanied by information concerning the debtor and proposed plan in a disclosure statement approved by the Bankruptcy Court.

Formulation of a “Plan” is the principal purpose of a Chapter 11 case. A plan is the document that proposes the methods for satisfying creditors’ claims against the debtor. The plan places creditors’ claims into “classes” (groups of similar claims), and treats each creditor’s claim within a class in the same way. Creditors are entitled to be heard by the Bankruptcy Court about the plan, through the process of voting on, and objecting to, the plan.

Your participation in this process is important. The Bankruptcy Court has set the following dates regarding the Plan:

Ballots Due:	November 4, 2010
Objection to Confirmation Due:	November 7, 2010
Hearing on Confirmation of Plan:	November 8, 2010 at 9:00 a.m.

These dates and events are explained further below:

13.2. **The Process of Voting on the Plan.**

A Creditor's or Interest holder's right to vote depends on whether the Creditor's or Interest holder's rights against the Debtor are "impaired," as that word is defined in the Bankruptcy Code. A claim that will not be repaid in full under the Plan, or as to which the Creditor's legal rights are altered is "impaired." A holder of a claim or interest that is impaired by a plan is entitled to vote to accept or reject that plan so long as its claim or interest has been allowed, or is deemed allowed under § 502 of the Bankruptcy Code at the time of voting. Even a claim or interest that has not been allowed at that time can be temporarily allowed for voting purposes if the procedures given under Bankruptcy Rule 3018 are followed.

In the Plan, Classes 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16 are "impaired" and are entitled to vote, and Classes 1 and 2 are "unimpaired" and not entitled to vote; their affirmative vote is presumed as a matter of law pursuant to § 1126(9) of the Bankruptcy Code.

This Disclosure Statement has been approved by the Bankruptcy Court, and is being submitted to Creditors and Interest holders, together with the Plan and a Ballot for voting on the Plan. In this case, the Bankruptcy Court has ordered that Creditors who wish to vote to accept or reject the Plan must send their Ballots to the counsel for C. Bean so that they are received no

later than 5:00 p.m. Central Time, on November 4, 2010. Ballots must be delivered to the following address:

Gary M. McDonald
Doerner, Saunders, Daniel & Anderson, L.L.P.
320 South Boston, Suite 500
Tulsa, OK 74103
(918) 591-5331
gmcdonald@dnda.com

A Creditor or Interest holder that holds Claims in more than one Class is entitled to submit a separate Ballot for each Class. Completed Ballots may be returned by e-mail provided that the Ballot is a scanned image and is complete, showing the signature of the person casting the Ballot for the Creditor or Interest holder, and submitted to Gary M. McDonald at gmcdonald@dnda.com.

Once a Creditor or Interest holder has submitted a Ballot, the vote generally cannot be withdrawn or modified, except that Bankruptcy Rule 3018 provides that, for cause shown and within the time fixed for acceptance or rejection of the Plan, the Bankruptcy Court, after notice and hearing, may permit a Creditor or Interest holder to change or withdraw an acceptance or rejection. Therefore, please take care to fully consider your intentions prior to submitting your Ballot.

ALL PARTIES ELIGIBLE TO VOTE ON THE PLAN ARE URGED TO COMPLETE AND RETURN THEIR BALLOTS PROMPTLY TO AVOID DELAY IN CONFIRMING THE PLAN. ALL CREDITORS AND INTEREST HOLDERS ARE ALLOWED TO VOTE ON THIS PLAN, BUT THE OPPORTUNITY TO VOTE DOES NOT CONSTITUTE ALLOWANCE OF ANY CLAIM OR INTEREST. IF YOU HAVE ANY QUESTIONS REGARDING PROCEDURES FOR VOTING, CONTACT THE

ATTORNEY FOR C. BEAN AT THE ADDRESS STATED ON THE LAST PAGE OF THIS DISCLOSURE STATEMENT.

13.3. Hearing on Confirmation of the Plan.

After the Ballots are received and counted, the Bankruptcy Court will hold a confirmation hearing on the Plan. Confirmation is the process by which the Bankruptcy Court will decide whether a sufficient number of Creditors or interest holders have voted for the Plan, and whether the Plan meets the other requirements of the Bankruptcy Code. If the Bankruptcy Court confirms the Plan, it will become binding on all parties, whether or not they have voted for the Plan.

THE BANKRUPTCY COURT HAS SCHEDULED A HEARING ON CONFIRMATION OF THE PLAN TO COMMENCE AT on November 8, 2010 at 9:00 a.m. Any party who wishes to object to confirmation of the Plan must file a written objection with the Bankruptcy Court and must also send a copy of such objection to Gary M. McDonald, of the firm, Doerner, Saunders, Daniel & Anderson, L.L.P., 320 S. Boston Avenue, Suite 500, Tulsa, Oklahoma 74103, or by e-mail at gmcdonald@dnda.com, and any other person entitled to receive service of the objection no later than November 7, 2008.

13.4. Sources of Information, Responsible Parties, and Disclaimers.

This Disclosure Statement has been approved by order of the Bankruptcy Court dated October 8, 2008, as containing, in accordance with requirements of the Bankruptcy Code, adequate information of the kind and in sufficient detail that would enable a reasonable, hypothetical investor typical of holders of impaired classes of claims or interests to make an informed judgment about the Plan.

Except as otherwise noted, the sources of information contained in this Disclosure Statement are the pleadings filed during bankruptcy, information from the Debtor's representatives and files, and records available to C. Bean.

ALTHOUGH THE PROPONENT OF THE PLAN HAS MADE EVERY EFFORT TO PROVIDE ACCURATE AND COMPLETE INFORMATION IN THIS DISCLOSURE STATEMENT, THE PROPONENT MAKES NO REPRESENTATION THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSES OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED IN IT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON HOLDERS OF CLAIMS OR INTERESTS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE THE DISCLOSURE STATEMENT WAS COMPILED.

NO REPRESENTATIONS CONCERNING THE PLAN ARE AUTHORIZED BY ITS PROPONENT OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. THE INFORMATION CONTAINED HEREIN CONCERNING THE

PLAN HAS NOT BEEN THE SUBJECT OF A CERTIFIED AUDIT. ALL THE FINANCIAL INFORMATION WITH RESPECT TO THE DEBTOR WAS COMPILED FROM THE DEBTOR'S RECORDS AND THE PROPONENT IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY.

CERTAIN OF THE INFORMATION AND ESTIMATES, BY THEIR NATURE, ARE FORWARD LOOKING, AND ESTIMATES AND ASSUMPTIONS MAY PROVE TO BE INACCURATE, SO THAT PROJECTIONS MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE EXPERIENCE.

ARTICLE XIV.

Conclusion

C. Bean believes that the Plan represents a fair and feasible proposal for the reorganization of the business and ultimate disposition of C. Bean that will provide Creditors with a greater return than any other alternative. Accordingly, C. Bean encourages Creditors to vote to accept the Plan.

Dated this 8th day of October, 2010.

DOERNER, SAUNDERS, DANIEL &
ANDERSON, L.L.P.

/s/ Chad J. Kutmas

By:

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