

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

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| IN RE: | § | |
| | § | |
| DALLAS ROADSTER, LIMITED | § | BANKRUPTCY NO. 11-43725 |
| | § | |
| Debtor | § | BANKRUPTCY NO. 11-43726 |
| | § | |
| | § | JOINTLY ADMINISTERED UNDER: |
| IN RE: | § | Case No. 11-43725 |
| | § | |
| IEDA ENTERPRISE, INC. | § | |
| | § | |
| | § | Chapter 11 |
| Debtor | § | |
| | § | |

**FIRST MODIFICATION TO CORRECTED THIRD AMENDED PLAN
OF REORGANIZATION PROPOSED BY DALLAS ROADSTER, LIMITED
AND IEDA ENTERPRISE, INC.**

Dallas Roadster, Limited and IEDA Enterprise, Inc., Debtors, hereby file this First Modification to their Corrected Third Amended Plan of Reorganization (the “Plan”) in this proceeding:

1. In Section II.B-7 of the Plan relating to the treatment of Class 7 (Investors) (p. 9), the list of claimants in the class should be changed to Abdee Molavi, Abdollah Adloo, Abdollah Nouri, Russell Jabari, and Ali Hafezamini.
2. In Section VI.B of the Plan relating to the treatment of Class 1 (Administrative Claims) (pp. 15-17), the following sentence shall be added after the end of the first sentence in that section at the bottom of page 15:

This Class includes the claims of Collin County, Texas for post-petition ad valorem property taxes.

3. In Section VI.B of the Plan relating to the treatment of Class 1 (Administrative Claims) (pp. 15-17), the following provision shall be added after the last Class 1 paragraph on page 17:

Dallas County is the holder of an administrative expense claim for ad valorem business personal property taxes for tax year 2012, plus all penalties and interest that may accrue, and for year 2013 ad valorem business personal property taxes and ad valorem vehicle inventory taxes, plus all penalties and interest that may accrue. The definition of "Subordinated Claim" in Section I of this Plan does not apply to Dallas County's administrative expense claim. Dallas County shall retain the liens that secure its administrative expense claim plus all penalties and interest that may accrue. Dallas County is not required to file an administrative expense claim and request for payment as a condition of allowance as provided in 11 U.S.C. § 503(b)(1)(D). Dallas Roadster, Limited ("Dallas Roadster") shall pay year 2013 ad valorem business personal property taxes and the 2013 ad valorem vehicle inventory taxes in the ordinary course of business prior to the state law delinquency date. Dallas Roadster shall pay all base tax, penalties, and interest owed to Dallas County for the year 2012 ad valorem vehicle inventory taxes on the Effective Date. In the event Dallas Roadster contests any amount owed for either or both tax years, Dallas Roadster shall pay the undisputed amount (in the case of the 2012 taxes, payment of the undisputed portion shall be made on the Effective Date). Notwithstanding any other provision in this Plan, penalties and interest shall continue to accrue on the ultimate amount allowed for either or both tax years until the ad valorem taxes are paid in full. Notwithstanding any other provision in this Plan, Dallas County's administrative expense claim shall not be discharged and Dallas County shall not be prevented from enforcing its rights under the Plan in the event of default. In the event Dallas Roadster defaults under the Plan, counsel for Dallas County shall send notice of such default to J. Bennett White via facsimile. Dallas Roadster shall have fourteen (14) days from the date of transmission of such notice to cure the default, regardless of any other provision in the Plan. If Dallas Roadster fails to cure such default, Dallas County shall be entitled to pursue collection of all amounts owed pursuant to state law outside the Bankruptcy Court.

4. For Section VI.B of the Plan relating to the treatment of Class 4 (Texas Capital Bank, N.A.) (pp. 18-20), the existing language on pages 18 to 20 is hereby deleted in its entirety and replaced with the following:

Texas Capital Bank asserts a secured claim to include the following: (a) principal and interest on the promissory note dated June 27, 2008 ("Real Estate Note") in the amount of approximately \$1,650,000; (b) pre-petition fees and expenses in the amount of \$469,289.83 ("Pre-Petition Fees and Expenses") incurred in connection with the Real Estate Note and the promissory note dated May 8, 2008, in the principal amount of \$4,000,000.00 ("Floor Plan Note"); (c) post-petition bankruptcy fees and expenses in the current amount of approximately \$600,000 ("Post-Petition Bankruptcy Fees and Expenses"), and (d) post-petition fees and expenses related to litigation between Dallas Roadster and Texas Capital Bank ("Post-Petition Litigation Fees and Expenses"). The Post-Petition Litigation Fees and Expenses relate to an Adversary Proceeding No. 13-04033, previously removed from state court, in which the Bankruptcy Court issued a recommendation that the reference from district court be withdrawn, and the United States District Court for the Eastern District of Texas ("District Court") has issued a Memorandum Adopting Report and Recommendation of United States Bankruptcy Judge wherein the District Court ordered that the reference be withdrawn and ordered that the adversary proceeding proceed before the United States District Court for the Eastern District of Texas in Case No. 4:13-MC-00026-RAS (the "Adversary Proceeding").

Texas Capital Bank's Class 4 Claim shall be Allowed in the aggregate amount of \$2,650,000 ("Allowed Class 4 Claim"). The Allowed Class 4 Claim constitutes a resolution of (i) Pre-Petition Fees and Expenses, (ii) the Real Estate Note balance, and (iii) Post-Petition Bankruptcy Fees and Expenses. It does not include a resolution or settlement of the Post-Petition Litigation Fees and Expenses and neither the allowance of Texas Capital Bank's Class 4 Claim nor any confirmation of the Plan shall affect in any way Texas Capital Bank's right to pursue the Post-Petition Litigation Fees and Expenses in the Adversary Proceeding. Dallas Roadster shall be current on all required post-petition payments of interest on the Real Estate Note through the Effective Date of the Plan.

Texas Capital Bank's Allowed Class 4 Claim shall be paid by the issuance of two new promissory notes executed by Dallas Roadster, dated as of the Effective Date of the Plan. One promissory note shall be in the principal amount of \$1,650,000, shall bear interest from the Effective Date at the rate of 5% per annum, shall be amortized over 240 months, and be paid by 59 regular equal monthly installments of principal and interest, with a balloon payment for the unpaid balance of principal and interest due at the end of 60 months. The other promissory note shall be in the principal amount of \$1,000,000, shall bear interest from the Effective Date at the rate of 3% per annum, shall be amortized over 240 months, and be paid by 59 regular equal monthly installments of principal and interest, with a balloon payment for the unpaid balance of principal and interest due at the end of 60 months.

Texas Capital Bank's Allowed Class 4 Claim evidenced by the two promissory notes shall be secured by the existing liens and security interests in the property and collateral described in (a) the Deed of Trust, Security Agreement, Financing Statement, and Absolute Assignment of Rents, as amended or modified ("Deed of Trust") executed by the Dallas Roadster on June 27, 2008, (b) the Loan and Security Agreement executed by the Dallas Roadster on May 10, 2008 as amended or modified (the "May 10 Loan and Security Agreement"), except for the Certificate of Deposit described in Article 8.1(b), (c) the Loan and Security Agreement executed by the Dallas Roadster on June 27, 2008, as amended or modified (the "June 27 Loan and Security Agreement") (collectively all such property and collateral, the "TCB Collateral") whether such TCB Collateral is presently existing or hereafter acquired or arising, together with any and all revenues, proceeds, profits, rents, income, offspring, replacements, and accounts from the TCB Collateral. Except as expressly modified by this Section VI.B. of the Plan relating to the treatment of Class 4 (Texas Capital Bank, N.A.), the Deed of Trust, May 10 Loan and Security Agreement and June 27 Loan and Security Agreement shall remain in full force and effect following confirmation of the Plan. Texas Capital Bank's Allowed Class 4 Claim is Fully Secured. Dallas Roadster shall continue to deposit the amount of \$3,000 each month in the existing Tax Escrow Account at Texas Capital Bank as provided in the Cash Collateral Order for the purpose of payment of ad valorem taxes on the real property.

Until the litigation in the Adversary Proceeding between Dallas Roadster and Texas Capital Bank has been fully and finally resolved, Dallas Roadster shall make the Class 4 payments under the two promissory notes into a segregated interest-bearing account ("Class 4 Payment Account") established and maintained at Texas Capital Bank. The funds deposited into the Class 4 Payment Account shall remain in the Class 4 Payment Account and will not be applied to either of the two promissory notes until there is a settlement of the Adversary Proceeding or a final judgment has been entered in the Adversary Proceeding for which all appeals have been exhausted (such settlement or judgment, the "Final Judgment"). If the Final Judgment results in no damages against Texas Capital Bank on Dallas Roadster's counterclaims¹, the funds in the Class 4 Payment Account shall be paid to Texas Capital Bank and Dallas Roadster shall be required to pay Texas Capital Bank such additional amount as may be required to bring the two promissory notes current. If the Final Judgment provides for damages against Texas Capital Bank on Dallas Roadster's counterclaims, the Class 4 Claim shall be offset by the amount of such damages by offset against the two promissory notes. The offset shall be applied first to the \$1,000,000 promissory note and then to the \$1,650,000 promissory note. The amount of any

¹ "Dallas Roadster's counterclaims" refer to the causes of action now or hereafter asserted in the Adversary Proceeding against Texas Capital Bank by Dallas Roadster, IEDA Enterprise, or both.

such offset shall be credited against the amount of such damages. If the damages awarded on Dallas Roadster's counterclaims exceed the aggregate balance of the two promissory notes: (a) the funds in the Class 4 Payment Account shall be paid to Dallas Roadster; (b) the Allowed Class 4 Claim shall be deemed fully satisfied and the two promissory notes shall be deemed paid; (c) Texas Capital Bank shall be allowed a credit against the Final Judgment for the balance of the two promissory notes and any interest earned on the Class 4 Payment Account; and (d) Dallas Roadster may proceed to collect the balance of the Final Judgment, after credit against the Final Judgment for the balance of the two promissory notes and any interest earned on the Class 4 Payment Account. If the damages awarded on Dallas Roadster's counterclaims are less than the aggregate balance of the two promissory notes, the funds in the Class 4 Payment Account shall be paid to Texas Capital Bank to the extent of the remaining aggregate balance of the two promissory notes, after setoff of the damages awarded, and the remainder of the Class 4 Payment Account, if any, shall be paid to Dallas Roadster. The payment of the remaining balance of the two promissory notes, if any, after setoff of the damages and application of the funds in the Class 4 Payment Account, shall be reamortized for the remaining term of the two promissory notes. The term "balance of the two promissory notes" as used herein shall mean the outstanding principal balance and all accrued interest and any other amounts which may be due under the two promissory notes. If Dallas Roadster has defaulted under the two promissory notes and if the two promissory notes have been accelerated, the total amount in the Class 4 Payment Account shall be paid to Texas Capital Bank. Dallas Roadster may not access the funds in the Class 4 Payment Account until a Final Judgment as provided hereinabove. Upon a Final Judgment and the effectuation of the actions described hereinabove, the Class 4 Payment Account shall terminate, and all future payments under the two promissory notes, if any, shall be made directly to Texas Capital Bank and applied to the two promissory notes.

The Adversary Proceeding shall proceed in the District Court. The amount of Post-Petition Litigation Fees and Expenses allowed to Texas Capital Bank against Dallas Roadster and Dallas Roadster's Guarantors shall be determined in conjunction with the Adversary Proceeding. This determination shall be made in the course of that proceeding by the process and in the manner established by the court in which that proceeding is adjudicated. The Allowed Class 4 Claim shall not be subject to contest in the Adversary Proceeding. Texas Capital Bank shall be permitted to assert its claim for Post-Petition Litigation Fees and Expenses in the Adversary Proceeding and Dallas Roadster and Dallas Roadster's Guarantors shall be permitted to assert their counterclaims against Texas Capital Bank for damages, to the extent each has the standing and authority to do so.

If Texas Capital Bank obtains a Final Judgment in the Adversary Proceeding against Dallas Roadster for Post-Petition Litigation Fees and Expenses, any amount awarded to Texas Capital Bank against Dallas Roadster in that proceeding

shall be recognized by the Bankruptcy Court as an addition to the Allowed Class 4 Claim the same as if such fees had been determined as reasonable and necessary in accordance with 11 U.S.C. § 506(b), and the Allowed Class 4 Claim shall be increased by such amount with the \$1,000,000 promissory note being amended to include such additional amount and the payments thereunder adjusted accordingly.

The inclusion of Pre-Petition Fees and Expenses in the Allowed Class 4 Claim is by virtue of a compromise for Plan treatment wherein Texas Capital Bank has compromised various rights and remedies to which it claims to be entitled. The agreement to include Pre-Petition Fees and Expenses in the Allowed Class 4 Claim does not constitute an admission by Dallas Roadster that such fees and expenses were properly owed to Texas Capital Bank or a concession by Texas Capital Bank that it was not fully entitled to such fees and expenses; however, the entitlement of Texas Capital Bank to the Pre-Petition Fees and Expenses as included in the Allowed Class 4 Claim may not be disputed or re-litigated in the Adversary Proceeding.

As to each of the four real estate parcels against which Texas Capital Bank has a lien under the Deed of Trust, provided there exists no default under the two promissory notes, the Deed of Trust, or the Plan, Texas Capital Bank shall release its lien against each such parcel upon a sale of such parcel in the event that it receives payment from Dallas Roadster in an amount equal to the greater of (i) 85% of the contract sales price of such parcel, or (ii) the following amount for each parcel: 905 Avenue K, Plano, Texas -- \$780,000; 825 Avenue K, Plano, Texas -- \$430,000; 10th Street and Avenue K, Plano, Texas -- \$235,000; 404 North Central Expressway, Richardson, Texas -- \$500,000. Payment to the Class 4 Payment Account shall constitute payment to Texas Capital Bank for purposes of this provision to the extent the Class 4 Payment Account remains in force and effect.

Subsequent to plan confirmation, Dallas Roadster shall be permitted to pursue floor plan financing for its vehicle inventory. In the event Dallas Roadster is able to secure floor plan financing for its vehicle inventory in an amount of at least \$250,000 immediate availability on customary floor plan financing terms, Texas Capital Bank shall release its lien on Dallas Roadster's vehicle inventory. In doing so, Texas Capital Bank shall execute documents reasonably requested by the prospective floor plan lender to accomplish a release of lien on the vehicle inventory with such documents to be effective upon the consummation of a new floor plan loan. No additional payment shall be required for the release of this security interest by Texas Capital Bank.

The existing Deed of Trust and Security Agreement shall remain in effect subject only to a modification reflecting the change in terms of the debt secured by the Deed of Trust and Security Agreement upon terms satisfactory to Texas Capital

Bank and Dallas Roadster. The two new promissory notes and modifications of the collateral documents shall be executed in accordance with the Plan and must be satisfactory to Texas Capital Bank and Dallas Roadster.

The existing guarantors, which consist of Bahman Khobahy, Bahman Hafezamini, and IEDA Enterprise, Inc. (collectively, the "Guarantors") must execute new guaranty agreements, which must be in a form satisfactory to Texas Capital Bank and Dallas Roadster, which guarantee payment of the Allowed Class 4 Claim evidenced by the two promissory notes described above.

During the term of the two promissory notes, Dallas Roadster will furnish to Texas Capital Bank (a) within 30 days after the end of each calendar quarter, and within 60 days after the end of each calendar year, financial statements, including a balance sheet and an operating statement showing in reasonable detail all income and expenses of Dallas Roadster, and showing the financial condition of Dallas Roadster; such financial statements shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall be certified by an officer of Dallas Roadster as fairly and accurately reflecting the financial condition and operations of the Dallas Roadster; (b) within 30 days after filing, a copy of its federal income tax return; and (c) within 30 days after the end of each calendar quarter, a detailed list of all notes receivable. The original of all certificates of title for vehicles acquired by Dallas Roadster shall be delivered to Texas Capital Bank within 5 days of receipt until and unless the lien of Texas Capital Bank in the vehicle inventory is released as provided herein. The original of all notes receivable shall be delivered to Texas Capital Bank within 5 days of execution and the corresponding certificates of title reflecting Dallas Roadster as the lienholder shall be delivered to Texas Capital Bank within 5 days of receipt by Dallas Roadster.

During the term of the two promissory notes, each of the Guarantors will furnish to Texas Capital Bank (a) within 60 days after the end of each calendar year their respective financial statements including a balance sheet and an operating statement showing the financial condition of each Guarantor, and (b) within 30 days after filing a copy of their respective federal income tax returns.

Dallas Roadster shall use its cash and assets only for the purpose of conducting its business operations in its usual and customary manner, unless it obtains the prior written consent of Texas Capital Bank. Dallas Roadster shall not make distributions, loans, investments, or other disbursements of cash or assets, except in the ordinary course of business, without the prior written consent of Texas Capital Bank.

All documents required to be executed under this Section VI.B relating to Class 4, including the two promissory notes, guaranty agreements, modification of deed of trust, and agreement regarding payment escrow account, shall be agreed upon

prior to Confirmation, executed on the Effective Date and such execution is a condition to the occurrence of the Effective Date and substantial consummation of the Plan.

This Class is impaired.

5. For Section VI.B of the Plan relating to the treatment of Class 8 (Alberto Dal Cin) (pp. 22-23), the existing language on pages 22 to 23 is hereby deleted in its entirety and replaced with the following:

Alberto Dal Cin's Class 8 Claim shall be Allowed in the amount of \$585,000. No amounts shall be allowed as a Class 8 Claim to DLP Enterprises or American Five Trading.

Alberto Dal Cin's Allowed Class 8 Claim shall be paid in full, plus interest at the rate of 7.75% per annum. Payments of principal and interest shall commence at the later of (i) three months after the Effective Date or (ii) the date that is 20 days after the Claim becomes an Allowed Claim. Payments shall be in the amount of \$9,000 per month for the first 16 payments, shall then increase to \$10,000 per month for the next 12 payments, and shall then increase to \$14,000 per month until paid in full (approximately 32 payments).

Debtor shall provide Alberto Dal Cin with copies of the financial reports provided to Texas Capital Bank.

This Class is impaired.

6. For Article XIV of the Plan relating to the retention of jurisdiction (pp. 38 – 39), the following provision shall be added:

The Bankruptcy Court shall retain jurisdiction to construe, enforce, implement, and determine any dispute regarding any of the terms of Section IV.B of the Plan regarding the treatment of the Allowed Class 4 Claim of Texas Capital Bank.

7. For Article XVII of the Plan relating to events of default and remedies (pp. 43 – 44), paragraph A.1 shall be deleted in its entirety and replaced with the following:

Failure on the part of the Debtor to make any payment required to be made under the Plan as and when due and the continuation of such failure for a period of thirty (30) days unless otherwise agreed between the Debtor and the affected creditor, except as to events of default and remedies of Texas Capital Bank which shall be

governed by the provisions of Class 4 – Secured Claim of Texas Capital Bank, N.A. and the documents executed in connection therewith.

8. For Article XVII of the Plan relating to events of default and remedies (pp. 43 – 44), paragraph B shall be deleted in its entirety and replaced with the following:

In the event of default, notice shall be given in accordance with Article XV.C. If the default is not cured within fourteen (14) days from the date notice is sent, the notifying creditor shall be free to exercise all remedies provided by law, including but not limited to all remedies provided by contract, the United States Bankruptcy Code, or state law.

The default provisions, notices and remedies applicable to Texas Capital Bank under its treatment in Class 4 – Secured Claim of Texas Capital Bank, N.A. and the documents executed in connection therewith shall take priority over this Section.

9. This modification does not adversely change the treatment of the claim of any creditor or the interest of any equity security holder who has not accepted the modification.

10. This modification has been accepted by Rahim Hafezamini.

11. This modification does not materially modify the Plan; therefore, no further disclosure is necessary under 11 U.S.C. § 1125.

DALLAS ROADSTER, LIMITED

BY: IEDA Enterprise, Inc.
Its General Partner

By: /s/ Bahman Khobahy
President

IEDA ENTERPRISE, INC.

BY: /s/ Bahman Khobahy
President

RESPECTFULLY SUBMITTED,

J. BENNETT WHITE, P.C.

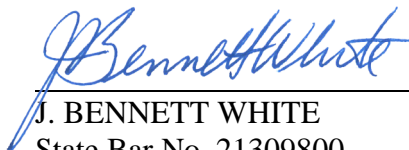
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ATTORNEYS FOR DALLAS ROADSTER,
LIMITED and IEDA ENTERPRISE, INC.

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically. As such, this document was served on all interested parties deemed to have consented to electronic service. Pursuant to Fed. R. Bankr. P. 9013, Fed. R. Civ. P. 5, and Loc. R. Bankr. P. 9013(f), all other interested parties not deemed to have consented to electronic service were served with a true and correct copy of the foregoing, unless noted otherwise below, by first class mail on this date, **October 24, 2013**. Those served by means other than electronic, are as follows:

Dallas Roadster, Limited
Attn: Ben Amini
404 N. Central Expressway
Richardson, TX 75080



J. BENNETT WHITE