

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

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	§	
	§	

DISCLOSURE STATEMENT

I. INTRODUCTION

DALLAS ROADSTER, LIMITED (“Dallas Roadster”), a partnership, filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, on December 12, 2011 (the “Petition Date”). Since that time, the Debtor has operated as a Debtor-in-Possession pursuant to the provisions of 11 U.S.C. §§ 1107 and 1108. Dallas Roadster operates a car dealership.

IEDA ENTERPRISE, INC. (“IEDA Enterprise”), a corporation, filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, on December 12, 2011 (the “Petition Date”). Since that time, the Debtor has

operated as a Debtor-in-Possession pursuant to the provisions of 11 U.S.C. §§ 1107 and 1108. IEDA Enterprise is the general partner for Dallas Roadster.

A. THE PLAN

Dallas Roadster has submitted a proposed Plan of Reorganization (the “Plan”), the form of which is attached as **Exhibit A**. Capitalized terms, not otherwise expressly defined, are defined in Article I of the Plan.

Dallas Roadster and IEDA Enterprise are collectively referred to herein as Debtors. Their respective cases are being jointly administered pursuant to an Order of the Bankruptcy Court. As Dallas Roadster’s general partner, IEDA Enterprise is liable for all debts of Dallas Roadster. Thus, to the extent claims against Dallas Roadster are addressed by the Plan, EIDA Enterprise’s liability on those claims will be resolved. The claims addressed by EIDA Enterprise include only those claims that have not been asserted against Dallas Roadster.

B. PURPOSE OF DISCLOSURE STATEMENT:

This Disclosure Statement is distributed pursuant to the provisions of § 1125 of the Bankruptcy Code which requires that there be submitted to holders of claims against the Debtor, a copy of any Plan, or a summary of such Plan, and a written Disclosure Statement containing information adequate to enable creditors and other interested parties to make an informed judgment regarding the Plan, if their acceptance of the Plan is being solicited. The Disclosure Statement must be approved by the Bankruptcy Court after notice and hearing, prior to the solicitation of acceptance votes of creditors or interest holders.

NO REPRESENTATIONS CONCERNING THE DEBTOR, THE VALUE OF ITS PROPERTY, OR THE VALUE OF ANY BENEFITS OFFERED TO THE HOLDERS OF CLAIMS IN CONNECTION WITH THE PLAN ARE AUTHORIZED BY THE DEBTOR

OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. YOU SHOULD NOT RELY UPON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE THAT ARE CONTRARY TO INFORMATION CONTAINED IN THIS DOCUMENT, AND ANY SUCH REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR DEBTOR, J. BENNETT WHITE, J. BENNETT WHITE, P.C., 1011 PRUITT PLACE, TYLER, TX 75703.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND NEITHER THE DELIVERY OF THIS STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION HERewith SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS NOT BEEN A CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN INDEPENDENTLY AUDITED, AND IS BASED, IN PART, UPON RECORDS KEPT BY DEBTOR'S PERSONNEL AND UPON INFORMATION PREPARED OR SUPPLIED BY PARTIES OTHER THAN THE DEBTOR. CONSEQUENTLY, THE DEBTOR IS UNABLE TO WARRANT THAT ALL OF THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO BE ACCURATE.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THE APPROVAL OF THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OF REORGANIZATION, NOR DOES SUCH APPROVAL CONSTITUTE A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

C. BRIEF EXPLANATION OF CHAPTER 11:

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, a Debtor is able to either attempt to reorganize its business for the benefit of itself, its creditors, and other parties in interest, or to effect a controlled liquidation that often realizes a higher value for the assets sold than would be the case in a Chapter 7 liquidation. Confirmation of a Plan is a principal purpose of a Chapter 11 reorganization case. A Plan sets forth the means for satisfying, to the extent possible, claims against a Debtor.

After a Chapter 11 Plan has been filed in a proceeding, the holders of claims against or an interest in a Debtor whose claims or interests will be adversely affected by the Plan must be given the opportunity to vote to accept or reject the Plan. In an effort to insure that those parties with an opportunity to vote possess sufficient information to make an informed judgment about the proposed Plan, § 1125 of the Bankruptcy Code requires disclosure of adequate information prior to the time during which the Debtor, creditors, and other parties in interest may solicit acceptances or rejections of the proposed Plan. This Disclosure Statement is presented to the holders of claims against or interests in the Debtor in order to satisfy the requirements of § 1125 of the Bankruptcy Code.

The Bankruptcy Code provides that claimants and interest holders are to be grouped into “classes” under a plan, and that they will vote to accept or reject a plan by class. While

bankruptcy courts have expressed various methods to be used in classifying claimants, a general rule of thumb is that creditors and interest holders with similar legal rights are placed together in the same class. For example, all Creditors entitled to priority under the Bankruptcy Code might be placed in one class, while all creditors holding general unsecured claims might be placed in a separate class.

Chapter 11 does not require that each holder of a claim against the Debtor vote in favor of the Plan in order for the Court to confirm the Plan. The Plan, however, must be accepted by at least one class of claims. The Plan is deemed accepted by a class of claims if the Plan is accepted by a majority in number and two-thirds in dollar amount of the claims of such class actually voting in connection with the Plan. If all classes of claims and interests accept the Plan, the Bankruptcy Court may refuse to confirm the Plan if either the Plan or the Debtor fails to comply with all applicable provisions of the Bankruptcy Code, the Plan has not been proposed in good faith or by lawful means, or for other reasons set forth in § 1129 of the Bankruptcy Code.

Conversely, the Bankruptcy Court may confirm the Plan even though less than all of the classes of claims and interests accept the Plan. The circumstances under which the Bankruptcy Court may confirm the Plan over the objection of one or more classes of claims or interests are set forth in § 1129(b) of the Bankruptcy Code and, among other requirements, include the requirement that the Bankruptcy Court find, with respect to each class that does not accept the Plan, that the Plan does not discriminate unfairly against such class, is fair and equitable to such class, and generally that the value to be distributed to the members of such class will not be less than the amounts that holders of claims or interests in such class would receive if the Debtor liquidated under Chapter 7 of the Bankruptcy Code. The Debtor will seek confirmation of the Plan under § 1129(b) of the Bankruptcy Code if less than all classes accept the Plan.

Confirmation of the Chapter 11 Plan discharges the Debtor from all its debts which arose prior to confirmation except as provided in the Plan, the Order of Confirmation, or § 1141(d) of the Bankruptcy Code. Confirmation of the Chapter 11 Plan makes the Plan binding upon the Debtor, its creditors, and all parties regardless of whether or not they have accepted the Plan of Reorganization.

D. FILING PROOFS OF CLAIM OR INTEREST

In order to participate in the payments and other distributions specified in the Plan, a Creditor must have an Allowed Claim against, or Interest in, the Debtor. An Allowed Claim is generally established by filing a Proof of Claim or Interest.

A Proof of Claim or Proof of Interest is deemed filed for any Claim or Interest that appears in the Schedules that were filed in the case, except for those Claims or Interests scheduled as disputed, contingent, unliquidated, or in an unknown amount.

Claims or Interests that are unscheduled, or that are scheduled as disputed, contingent, or unliquidated, or which vary in amount from the amount scheduled by the Debtor, shall be recognized and allowed only if a Proof of Claim or Interest is timely filed. The deadline for filing proofs of claim by non-governmental claimants is April 19, 2012.

E. CONFIRMATION HEARING ON THE PLAN

Section 1128(a) of the Bankruptcy Code requires the Court, after notice, to hold a hearing on confirmation of a plan of reorganization. The Court will schedule the Confirmation Hearing on the Plan before the Honorable Brenda T. Rhoades, United States Bankruptcy Judge, in the courtroom of the United States Bankruptcy Court, 660 N. Central Expressway, 3rd Floor, Plano, Texas 75074.

Section 1128(b) of the Bankruptcy Code provides that a party-in-interest may object to confirmation of the Plan. Any objection to confirmation of the Plan must be in writing. Written objections to confirmation of the Plan, if any, must be filed with the Court and a copy of such written objection must be actually received by counsel for the Debtor seven (7) days prior to the confirmation hearing. Objections that are not timely filed and actually received by the Debtor's counsel will not be considered by the Court.

II. NATURE AND HISTORY OF THE DEBTOR

Dallas Roadster, Limited ("Dallas Roadster") started operations sixteen (16) years ago in a small warehouse in Richardson, Texas. The business was started by its principal owners, Ben Hafezamini ("Ben Amini") and Ben Khobahy. Both had extensive experience in automotive sales and service prior to beginning their partnership. The stated business plan was to provide sales and limited service of pre-owned, high-end, Japanese and European motorcars.

Operations of Dallas Roadster were profitable from its inception. The business was capitalized by its partners without the use of any credit facilities. The initial year of operations resulted in the sale of 5-10 vehicles per month with service performed on vehicles sold at the dealership, and grew to nearly 20 vehicles per month. In the second year of operations, Dallas Roadster purchased an adjacent property to expand their service capabilities. At that time, Dallas Roadster increased its ability to sell additional vehicles and opened its service operations to the public.

The business continued to expand and in the third year of operations had outgrown its location. A property was purchased in Plano, TX in order to accommodate the growth in volume and to provide an additional showroom facility. At that time, Dallas Roadster was able to obtain

a small floor plan loan. With the expanded facilities and loan credit, Dallas Roadster's volume grew to 30-35 vehicles per month.

In the fifth year of operations, Dallas Roadster again expanded its operations by purchasing additional land in Plano and building a body shop and garage to expand its service capabilities. In addition, a "buy here, pay here" seller financing operation was started which allowed for the capture of a greater market share. During this time frame, Texas Capital Bank became the primary funding source for Dallas Roadster's operations. Texas Capital Bank provided all financing and was the primary depository for all of Dallas Roadster's business operations. At all times, Dallas Roadster was profitable and strong financially.

Over the ensuing eleven (11) years, Dallas Roadster continued to increase its sales volume, its revenues, its profits, and credit facilities to run its operations. Dallas Roadster established relationships with third-party primary and sub-prime auto lending providers and continued to expand its seller financing business line. Gross revenues increased from approximately \$2,000,000 in its first year to more than \$20,000,000 in 2010. Until its operations were interrupted by Texas Capital Bank in November, 2011, it was on pace for approximately \$30,000,000 in revenue for that year. At no time was Dallas Roadster delinquent in any way on any loan or credit facility with Texas Capital Bank.

The recent recession, created in part by the melt down in the sub-prime and real estate markets, provided an opportunity for Dallas Roadster's skilled management team to further expand its business. Gross revenues in 2008 were \$11,500,000 and were on track to increase to \$30,000,000 in 2011, during a time when many of their competitors struggled to maintain operations. Dallas Roadster, through its executive management, Ben Amini and Ben Khobahy, implemented a plan to increase the "buy here, pay here" program in order to take advantage of

the gap created by the problems in the sub-prime lending market. They endeavored to place people in vehicles they could afford and finance the purchase for a short period (36 months or less). This strategy proved effective in capturing a large percentage of those who came to them seeking to purchase a vehicle.

Dallas Roadster boasts a strong internet sales track record. Ninety percent (90%) of the businesses advertising revenue is spent on internet related business. Dallas Roadster enjoyed the highest rating on dealerrater.com, a website that compiles customer reviews and ratings, prior to November 2011.

Based on its sustained success, Dallas Roadster was seeking to expand its footprint yet again in 2011. The principals were in negotiations for a Mitsubishi dealership, were prepared to purchase new software, had hired financial consultants for the provision of warranties, and were in the process of finding a new location for the expansion. However, Texas Capital Bank implemented hostile actions with regard to the lending relationship with Dallas Roadster beginning in 2008 and intensifying in 2010 and 2011. The increasingly debilitating and openly hostile relationship with Texas Capital Bank halted all expansion capability and ultimately led to the filing of this bankruptcy proceeding.

III. CIRCUMSTANCES LEADING TO CHAPTER 11 FILING

Texas Capital Bank provided all financing for Dallas Roadster. It provided the floor plan loans and all real estate loans as well as serving as the primary depository for the business. Texas Capital Bank had enjoyed the benefits of the relationship with Dallas Roadster for twelve (12) years. During that time period, Dallas Roadster was never behind on a payment of any debt service or violated any of its loan covenants with Texas Capital Bank.

After a change in lending personnel at Texas Capital Bank in 2008 due to the sub-prime market fiasco, Texas Capital Bank inexplicably downgraded its loans with Dallas Roadster. This action resulted in implementation of onerous covenants, rising interest rates, and shorter maturity dates. While this action worked a hardship on Dallas Roadster, its expanding business and savvy management team dealt with each obstacle, kept all loans current, and continued to grow the businesses revenues. In November of 2010, Texas Capital Bank implemented a daily audit of all of Dallas Roadster's financial transactions. An auditor was placed on site and monitored all transactions. Also, daily inspections of Dallas Roadster's inventory were performed by Texas Capital Bank. Again, no impropriety was found and Dallas Roadster maintained all of its loans. During this time period, Texas Capital Bank encouraged the management of Dallas Roadster to seek financing from another lending institution.

Dallas Roadster sought alternate financing of its operations due to the request of Texas Capital Bank and to avoid the disruption caused by the increasingly adversarial nature of their business relationship. A new floorplan loan was negotiated by Dallas Roadster with a lender that offered inferior loan terms, but was willing to provide access to capital to fund its expansion plans. Despite its prior urging of Dallas Roadster to seek alternative financing, Texas Capital Bank obstructed Dallas Roadster's attempts to honor the bank's directive by refusing to sign an intercreditor agreement with the proposed replacement lender thus thwarting Dallas Roadster's attempts to move its loans. Texas Capital Bank then asserted that Dallas Roadster was in breach of its loan agreement by its attempts to locate a new lender.

In November of 2011, Ben Amini was indicted for money laundering. The allegations on which the indictment was based were demonstrated to be untrue and the charges were later dismissed. However, Texas Capital Bank, which was aware of the nature of the allegations by

virtue of its cooperation with federal law enforcement authorities, filed for and was granted a receivership in state court in Dallas County, Texas. Pursuant to the receivership order, a court-appointed receiver took possession of all Dallas Roadster's assets and began liquidating its inventory. Dallas Roadster was forced to declare bankruptcy in order to regain possession of its assets and to protect its business from being obliterated by Texas Capital Bank.

IV. EVALUATION OF THE DEBTOR

Dallas Roadster is poised to generate significant positive cash flow from its present operations. However, in order to successfully operate, it must be able to reestablish its lending relationships and fund its current operating expenses.

The expertise provided by Ben Amini and Ben Khobahy have served the Debtor well. The expansion of the operation and track record of profitability regardless of market conditions could only have been navigated through skillful and opportunistic management. Moreover, the negative relationship with Texas Capital Bank has added an element of significant difficulty to profitable management. The fact that Dallas Roadster is poised to meet its obligations, both long-term and short-term, and rebuild its business, plainly illustrates the exceptional competence of Ben Amini and Ben Khobahy as dealership operators.

Dallas Roadster is currently selling 24-30 vehicles per month and operating on a cash-on-delivery ("COD") basis. Upon reestablishing a floor plan loan and relationships with third party financing sources, Dallas Roadster will be able to grow its business and revenues as it has in the past. Dallas Roadster has been in this position before and there are few barriers to its management team in implementing a profitable growth strategy.

Dallas Roadster's most recent monthly operating report identified assets with a value of \$5,665,722. The balance of its secured liabilities was reported to be \$1,896,827. Thus, with a

secured debt to total assets ratio of approximately 34%, Dallas Roadster should have viable options for attracting future capital.

V. OVERVIEW OF PLAN

The Plan is based on Dallas Roadster continuing its operations largely as it has in the past. Although the business is currently able to leverage only a fraction of the capital it had available to it a year ago, it has been in this situation before and has experience in how to overcome these types of obstacles.

VI. MEANS OF IMPLEMENTATION OF THE PLAN

Dallas Roadster will implement its Plan by continuing operations as it has in the past and by resuming its efforts to acquire new floorplan financing. During the time this bankruptcy case has been pending, Dallas Roadster's operating flexibility has been greatly hampered. For instance, Texas Capital Bank has imposed restrictions on Dallas Roadster concerning its ability to sell and purchase vehicles that have not been consistent with profit maximization. In January and February, 2012, Dallas Roadster liquidated approximately \$2,000,000 worth of vehicles in order to placate Texas Capital Bank. By doing so, Dallas Roadster was able to reduce its debt burden, but also lost the ability to leverage the capital represented by those vehicles. The Plan contemplates that the onerous restrictions imposed by Texas Capital Bank will be removed, thus providing Dallas Roadster with a greater opportunity to return to its previous profitability than has been available to it while its Bankruptcy Case has been pending.

VII. FEASIBILITY

Dallas Roadster submits that its Plan is feasible. Early in the Bankruptcy Case, Texas Capital Bank agreed to extend \$400,000 of Debtor in Possession ("DIP") financing. That amount was later increased by a slight amount. This DIP financing was to repaid at the rate of

\$40,000 per month. For the past several month, Dallas Roadster has afforded this payment from its available cash flow. The payments required by the Plan are estimated to be less than \$25,000 per month; therefore, the Dallas Roadster's current cash flow should provide adequate funding for the proposed Plan. Accordingly, Dallas Roadster considers the Plan feasible.

VIII. ALTERNATIVES TO PROPOSED PLAN

The primary alternative to the proposed Plan would be for Dallas Roadster to completely liquidate. Obviously, this Bankruptcy Case was commenced exactly to prevent that from occurring at the hand of the court-appointed receiver. Although there should be sufficient assets on hand to pay all creditors in full in the event liquidation were to occur, there is no way to estimate the negative impact on the sales proceeds actually received in a liquidation scenario. It is well within the realm of possibility that the discount that would be realized in the event of a forced liquidation would result in such a shortfall that all creditors would not be paid in full. Moreover, there is no possibility that the equity holders fare as well by liquidation as they do by continuing operations under the proposed Plan.

IX. RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN

There are always risks inherent in any Chapter 11 plan. The Plan structure has been designed in order to minimize the risks to the Debtor's general unsecured creditors. Given the value and nature of the secured creditors' collateral, combined with the debt reduction provided through the plan payments, the risks to the secured creditors should be virtually non-existent. Meanwhile, as Dallas Roadster begins to recover from the harm it has suffered by Texas Capital Bank's wrongful actions, its increased vitality and viability will also reduce the risks to creditors

under the Plan. All things considered, the risks to the Debtor's creditors are not excessive and should diminish as payments under the Plan are made.

X. SIGNIFICANT ORDERS ENTERED DURING THE CASE

Significant orders entered by the Bankruptcy Court during the case include:

- a. The December 20, 2011 Order compelling the receiver to return Dallas Roadster's property (the "Turnover Order") [Doc. 25];
- b. The December 22, 2011 Order authorizing the DIP financing [Doc. 29];
- c. The January 12, 2012 Final Order approving DIP financing [Doc. 43]; and
- d. The Final Cash Collateral Order entered on March 29, 2012 [Doc. 84].

Dallas Roadster has recently initiated challenges to various aspects of several of these orders. Certain provisions in these orders are considered to be detrimental to the formation, confirmation, and implementation of Debtors' proposed Plan. Debtors' proposed Plan may be significantly amended once the Bankruptcy Court has ruled on the propriety of the challenged provisions of these Orders.

XI. GENERAL INFORMATION ABOUT THE CLAIMS PROCEDURE

A. Procedures for Resolving Contested Claims

The Debtor shall have the sole right and duty to review Claims and object to the Proof of Claim filed by any party or claimant, if appropriate. Objections to Claims must be filed with the Bankruptcy Court no later than forty-five (45) days after the Effective Date and served upon the holders of each of the Claims to which objections are made.

If the Debtor files an objection to a Claim, the Creditor shall file a response to any such objection within twenty-one (21) days from the mailing date set out in the certificate of service for the objection. Failure to timely file a response shall result in a deemed consent to the

objection, and upon the expiration of the twenty-one (21) day period, the Court may enter an order without further notice or hearing. In the event a response is filed, the Court shall set a hearing on not less than thirty (30) days' notice to the parties in accordance with Bankruptcy Rule 3007.

The Debtor shall have primary responsibility for litigating, withdrawing, or resolving all objections to Claims after the Effective Date.

Except as otherwise provided in the Plan, the allowance of any pre-petition Claim, the resolution of any Claim dispute, or the payment of such Claims shall not, absent an express contrary ruling by the Court, operate as a bar, by application of the principles of res judicata or collateral estoppel, to the recovery of pre-petition Claims or the exercise of any right of setoff held by the Debtor with respect to the claims held by the affected claimants. To the extent such right of offset is not resolved in the claim objection process, any affected claimant shall retain its right of offset of mutual claims as provided in Bankruptcy Code §553.

Any amendments to Claims previously filed must be filed prior to the Effective Date or they will be void.

XII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The transactions contemplated by the confirmation of the Plan may have an impact on the tax treatment received with respect to distributions under the Plan. That impact may be adverse to the creditor or interest holder.

An analysis of federal income tax consequences of the Plan to creditors, interest holders, and the Debtor requires a review of the Internal Revenue Code ("IRS Code"), the Treasury regulations promulgated thereunder, judicial authority, and current administrative rulings and practice. The Plan and its related tax consequences are complex. Neither the Debtor nor the

Debtor's counsel has requested a ruling from the Internal Revenue Service with respect to these matters. Accordingly, no assurance can be given as to the IRS's interpretation of this Plan.

THE TRANSACTION CONTEMPLATED BY THE CONFIRMATION OF THE PLAN MAY HAVE AN IMPACT ON THE TAX TREATMENT OF ANY CREDITOR OR INTEREST HOLDER. THAT IMPACT MAY BE ADVERSE TO THE CREDITOR OR INTEREST HOLDER. NOTHING HEREIN IS INTENDED TO BE ADVICE OR OPINION AS TO THE TAX IMPACT OF THE PLAN ON ANY INDIVIDUAL CREDITOR OR INTEREST HOLDER. EACH CREDITOR OR INTEREST HOLDER IS CAUTIONED TO OBTAIN INDEPENDENT AND COMPETENT TAX ADVICE PRIOR TO VOTING ON THE PLAN.

XIII. CONFIRMATION OF THE DEBTOR' S PLAN

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

A. Confirmation Hearing

The Bankruptcy Code requires the Court, after notice, to hold a hearing on confirmation of the Plan, at which any party-in-interest may object to confirmation of the Plan.

The date and time of the hearing on confirmation of the Plan will be set forth in a notice to each Creditor. The hearing may be adjourned from time to time by the Court without further notice except for an announcement made at the hearing or any adjournment thereof. Any objection to confirmation of the Plan must be made in writing and filed with the Court and served upon the Debtor's counsel at the address listed below, together with proof of service, on or before the date set by the Court:

J. Bennett White, P.C.
P. O. Box 6250
Tyler, TX 75711
(903) 597-4300 / (903) 597-4330 (fax)

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE COURT.

B. Requirements for Confirmation

At the hearing on confirmation of the Plan, the Court shall determine whether the requirements of Bankruptcy Code § 1129 have been satisfied, in which event the Court shall enter an order confirming the Plan. These requirements are as follows:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The Debtor and Debtor's counsel have complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with the Chapter 11 Case or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Court as reasonable.
5. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, or a successor to the Trustee under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and Equity Security Holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the Reorganized Debtor and the nature of any compensation for each insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtor has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval.
7. With respect to each impaired class of Claims or Equity Security Holders, either each holder of a Claim or Equity Security Interest of such class has accepted the Plan, or will receive or retain under the Plan on account of such Claim or Equity Security Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated on such date under Chapter 7 of the Bankruptcy Code.
8. Each class of Claims or Equity Security Interests has either accepted the Plan, is not impaired under the Plan, or is subject to cramdown.
9. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims and Priority Claims will be paid in full on the Effective Date and that Priority Tax Claims will receive on account of such Claims deferred cash payments, over a period not exceeding five (5) years after the Petition Date, of a value, as of the Effective Date, equal to the allowed amount of such Claim.
10. At least one class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim of such class.
11. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.
12. The Debtor believes that the Plan satisfies all the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Debtor has complied or will have complied with all of the requirements of Chapter 11 and that the proposal of the Plan is made in good faith.
13. The Debtor believes that the holders of all Claims impaired under the Plan will receive payments under the Plan having a present value as of the Effective Date in amounts not less than the amounts likely to be received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

C. Cramdown

In the event that any impaired class of Claims or Interests does not accept the Plan, the Court may still confirm the Plan at the request of the Debtor if, as to each impaired class which has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and equitable.” A plan of reorganization does not discriminate unfairly, within the meaning of the Bankruptcy Code, if no class receives more than it is legally entitled to receive for its Claims or Equity Security Interests. “Fair and equitable” has different meanings for Secured Claims and Unsecured Claims.

With respect to a Secured Claim, “fair and equitable” means either: (i) the impaired Secured Creditor retains its liens to the extent of its Allowed Claim and receives deferred cash payments at least equal to the allowed amount of its Claim with a present value of the Effective Date at least equal to the value of such Secured Creditor’s interest in the property securing its liens; or (ii) property subject to the lien of the impaired Secured Creditor is sold free and clear of that lien, with that lien attaching to the proceeds of the sale, and such lien proceeds must be treated in accordance with clauses (i) and (ii) hereof; or (iii) the impaired Secured Creditor realizes the “indubitable equivalent” of its claim under the Plan.

With respect to an Unsecured Claim, “fair and equitable” means either (i) each impaired Unsecured Creditor receives or retains property of a value equal to the amount of its Allowed Claim; or (ii) the holders of the Claims and Equity Security Interests that are junior to the Claim of the dissenting class will not receive any property under the Plan.

With respect to an Interest, “fair and equitable” means either (i) each holder of an Impaired Interest of such Class receives property of a value, as of the Effective Date, equal to the greatest of (a) the allowed amount of any fixed liquidation preference to which such holder is

entitled, or (b) any fixed redemption price to which such holder is entitled, or (ii) the value of such Interest that is junior in priority to the interests of the dissenting Class will not receive any Property under the Plan.

The absolute priority rule set forth in Bankruptcy Code § 1129(b)(2)(B) requires a cram-down of a plan of reorganization over a dissenting creditor class to meet an “either/or” test. Either (i) the members of each dissenting impaired class of unsecured claims must receive property of a value, as of the effective date of the plan, equal in amount to such class’ members allowed claim; or (ii) holders of claims and interests that are junior to each dissenting impaired class of claims must not receive any property under the plan of reorganization. The absolute priority rule applies only in cases when a class of claims or Equity Interests is both impaired and does not accept the plan. Thus, the absolute priority rule does not apply to all classes of claims and Equity Interests but only to dissenting classes and classes junior to the dissenting class. Because the Plan provides for the full payment of all Classes of Claims senior to Class 21, the Debtor believes that the Plan satisfies the absolute priorities rule.

In the event one or more classes of impaired Claims or interests rejects the Plan, the Court will determine at the hearing for confirmation of the Plan whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Claims. If the Court determines that the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Claims or interests, the Court can confirm the Plan over the objection of any impaired class.

XIV. VOTING PROCEDURES AND REQUIREMENTS

A. Ballots and Voting Deadline

In addition to this Disclosure Statement and a copy of the Plan, each Creditor entitled to vote will hereafter be provided with a ballot to be used for voting to accept or reject the Plan, together with a postage paid return envelope. The ballot form will also have a place for any applicable election to be made by a claimant, whether or not such claimant is entitled to vote.

In order to be counted for voting purposes, ballots of acceptance and rejection of the Plan must be completed and returned to the Court prior to the hearing before the Court requesting approval of the Plan or at such other time as the Court may set. The deadline for submitting ballots and objections will be set forth by the Court.

Whether or not the Creditor entitled to vote expects to be present at the hearing, each Creditor is urged to complete, date, sign, and properly mail the ballot to the following address:

J. Bennett White, P.C.
Attn: Dallas Roadster Balloting
P. O. Box 6250
Tyler, TX 75711

IN COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE VOTING INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.

Ballots may be cast by facsimile transmission to counsel for the Debtor at (903) 597-4330, provided (a) the facsimile transmission is actually received and time-stamped prior to the voting deadline; and (b) the original, signed ballot, postmarked not later than the day of the voting deadline, is mailed to and received by counsel for the Debtor.

IN ORDER TO AVOID THE POSSIBILITY OF A BALLOT TRANSMITTED BY FACSIMILE BEING BACKED UP IN TRANSMISSION AND NOT BEING COUNTED, THE

DEBTOR REQUESTS THAT YOU TRANSMIT YOUR BALLOT ON THE DAY PRIOR TO THE VOTING DEADLINE.

Ballots that are signed and timely returned as directed above, but which do not expressly indicate a vote either to accept or reject the Plan will not be counted by the Debtor as an acceptance of the Plan.

B. Creditors Entitled to Vote

Any creditors whose Claim is impaired under the Plan is entitled to vote, if either (i) its Claim has been scheduled by the Debtor (and such Claim is not scheduled as disputed, contingent, or unliquidated), or (ii) it has filed a proof of Claim on or before the first date set by the Court for such filings. Any Claims as to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless the Court temporarily allows the Claim in an amount which it deems proper for the purpose of accepting or rejecting the Plan upon application by the Creditor. Such application must be heard and determined by the Court at such time as specified by the Court. A Creditor's vote may be disregarded if the Court determines that the Creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the Bankruptcy Code.

C. Definition of Impairment

Under Bankruptcy Code § 1124, a class of Claim or Equity Security Interests is impaired under a Chapter 11 plan unless, with respect to each Claim or interest of such class, the Plan:

1. Leaves unaltered the legal, equitable, and contractual rights of the holder of such Claim or Equity Security Interest; or
2. Notwithstanding any contractual provision or applicable law that entitles the holder of a Claim or Equity Security Interest to receive accelerated payment of its Claim or Equity Security Interest after the occurrence of default:

- a. Cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default that consists of a breach of any provision relating to the insolvency or financial condition of the Debtor at any time before the closing of the case, the commencement of the case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code;
- b. Reinstates the maturity of such Claim or Equity Security Interest as it existed before the default;
- c. Compensates the holder of such Claim or Equity Security Interest for damages incurred as a result of reasonable reliance on such contractual provision of applicable law; and
- d. Does not otherwise alter the legal, equitable, or contractual rights to which such Claim or Equity Security Interest entitles the holder of such Claim or Equity Security Interest.

D. Class Impaired Under the Debtor's Plan

The following classes are impaired under the Plan, and Creditors and Interest Holders holding claims in such classes are entitled to vote to accept or reject the Plan: Dallas Roadster Classes 3, 6 through 11, 13, and 14 and IEDA Enterprise Classes 3, 5 through 8, 10, and 11.

All other classes are unimpaired under the Plan and are deemed to have accepted the Plan. The unimpaired classes, therefore, are not entitled to vote with respect to the acceptance or rejection of the Plan.

E. Vote Required for Class Acceptance

The Bankruptcy Code defines acceptance of a Plan by a class of Creditors or Equity Interest Holders as acceptance by holders of two-thirds (2/3) in dollar amount and a majority in number of the Claims and Equity Interests of that class which actually cast ballots for acceptance or rejection of the Plan.

XV. FINANCIAL INFORMATION

Dallas Roadster's most recent financial information is reflected in the monthly operating statement that have been filed with the Bankruptcy Court.

XVI. MANAGEMENT

Dallas Roadster's management is primarily handled by Ben Amini and Bahman Khobahy. Their expertise has produced the success traditionally experienced by Dallas Roadster. Dallas Roadster's anticipates that they will continue to serve in the same capacities going forward.

XVII. COST AND RISK ANALYSIS

It is anticipated that enough revenue can be generated through operations within the terms of the Plan that such revenues will be adequate for distribution to creditors, with all classes to be paid in full during the term of the Plan. It is anticipated that the cost of administration will not significantly affect the implementation of the Plan. All distributions to attorneys for work prior to the Effective Date of the Plan shall be subject to the review process of the Court.

In determining the risk to creditors in accepting the Plan, the creditors should take into account the Debtor's proven ability to succeed and grow over a substantial period of time, in varying economic conditions, through the expertise of its present management.

XVIII. PREFERENTIAL TRANSFERS

The Debtors are aware of potentially improper transfers to Texas Capital Bank and to the receiver. Debtors intend to investigate whether these claims may be pursued. If pursuit is feasible, Debtors intend to seek that those transfers be set aside and the wrongfully transferred funds be returned to the Debtors.

XIX. MODIFICATION OF THE PLAN

Bankruptcy Code § 1127(a) permits the Debtor to amend or modify the Plan at any time prior to confirmation. Post-confirmation modifications of the Plan are allowed under Bankruptcy Code § 1127(a), if the proposed modification is offered before the Plan has been substantially consummated or pursuant to an article of the confirmed Plan authorizing the intended modification. The Debtor reserves the right to amend or modify the Plan at any time at which such modification is permitted under the Bankruptcy Code.

In the event that the Debtor proposes to modify the Plan prior to the Confirmation Order, further disclosure pertaining to the proposed modification will be required only if the Court finds, after a hearing, that the pre-confirmation modifications adversely change the treatment of any Creditor or Equity Interest Holder who has previously accepted the Plan. If the proposed modification is material and adverse, or if a post-confirmation modification is sought, the Debtor intends to supplement this Disclosure Statement to describe the changes made in the Plan and the reasons for any proposed modifications.

XX. RETENTION OF JURISDICTION

As set forth in the Plan, the Court will retain jurisdiction over substantially all matters arising in connection with the Chapter 11 Case and Plan.

XXI. SUMMARY

The Debtor contemplates that its operations will permit all creditors to be paid in full. Essentially, this proceeding will enable the Debtor to preserve the value of its going-concern while permitting payment of its claims in an orderly manner. The treatment afforded creditors by this Plan is the best alternative to all interested parties. Accordingly, the Debtor respectfully requests your affirmative support and vote in favor of the Plan.

DATED this 15th day of August, 2012.

DALLAS ROADSTER, LIMITED

BY: EIDA Enterprise, Inc.
Its General Partner

By: /s/ Ben Khobahy
President

EIDA ENTERPRISE, INC.

BY: /s/ Ben Khobahy
President

RESPECTFULLY SUBMITTED,

J. BENNETT WHITE, P.C.
P. O. Box 6250
Tyler, TX 75711
Telephone No. (903) 597-4300
Telecopier No. (903) 597-4330

J. BENNETT WHITE
Texas Bar No. 21309800

ATTORNEYS FOR DEBTOR

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, **August 15, 2012**. 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