UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

IN RE:
DIAMOND XPRESS, LLC — Case No. 16-23669-GWE

Debtor. — Chapter 11

AMENDED DISCLOSURE STATEMENT

Comes now Diamond Xpress, LLC, and respectfully submits the Amended Disclosure Statement to its Small Business Plan of Reorganization (the "Plan") pursuant to 11 U.S.C. §1125.

I. INTRODUCTION

The purpose of this Disclosure Statement is to provide parties asserting Claims against the Debtor with information regarding the treatment of those Claims under the Plan. This Disclosure Statement provides parties whose Claims or Interests are impaired under the Plan with adequate information to make an informed and prudent judgment when voting on the Plan. The Schedules and Statement of Financial Affairs filed or to be filed by the Debtor, and the Monthly Operating Reports to be filed by Debtor are incorporated by reference into this Disclosure Statement as if set forth fully herein. Interested parties are encouraged to review these schedules and reports in connection with their consideration of the Plan.

This Disclosure Statement is not meant to take the place of the Plan. Any inconsistency between the Plan and this Disclosure Statement, the Schedules or Monthly Operating Reports shall be resolved in favor of the Plan. Claimants are encouraged to consult with their own attorneys regarding the Plan and Disclosure Statement.

The terms and definitions set forth in Article 1 of the Plan are also incorporated herein by reference.

This Disclosure Statement may not be relied upon for any purpose 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, except for those proceedings directly concerning the validity, enforceability, or construction of the Plan.

This Disclosure Statement should not be deemed as providing any advice regarding the tax implications or other legal effects of the Plan upon holder of Claims or Interests.

Except as set forth in this Disclosure Statement, the Bankruptcy Court has authorized no representations concerning the Debtor or the value of its assets. In voting on the Plan, you should not rely upon any representations or inducements made to secure acceptance or rejection of the Plan other than those contained in this Disclosure Statement and Plan.

The statements contained in this Disclosure Statement are made as of the date hereof, unless another time is specified herein. Under no circumstances does delivery of this Disclosure Statement imply that there has been no change in the facts set forth herein since the date the Disclosure Statement was compiled.

The information contained herein has been provided by Debtor and is believed to be reliable. Counsel for the Debtor has not performed an audit to verify the accuracy of the information contained herein and does not warrant or guarantee that there are no inaccuracies.

II. VOTING ON AND CONFIRMATION OF THE PLAN

The confirmation of a plan of reorganization or liquidation is the method by which the claims of creditors against a debtor are satisfied. Whether a plan is confirmed and implemented depends on the acceptance of creditors and approval of the Bankruptcy Court.

Your vote is important. As a general rule under section 1126 of the Bankruptcy Code, an impaired class is deemed to have accepted the Plan if votes representing at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims voting in that Class have accepted the Plan. The Claims of claimants who fail to vote on the Plan are not counted in the determination of whether the Plan has been accepted or rejected. If the Court determines that the rejection or acceptance of any claimant was not in good faith, then the vote will not be counted.

Pursuant to section 1129(a)(10) of the Bankruptcy Code, at least one (1) impaired class of claims must accept the plan. In addition, unless the Plan is unanimously accepted by the impaired claimants, in order to confirm the Plan, the Bankruptcy Court must independently determine that the Plan provides each claimant with a recovery which, as of the Effective Date, is at least equal to the distribution such claimant would have received if the Debtor were instead liquidated under Chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan meets this requirement.

Included with this Disclosure Statement is a ballot for your acceptance or rejection of the Plan. If you hold a Voting Claim and you wish to vote to accept or reject the Plan after reviewing this Disclosure Statement and Plan, please:

1. use only the ballot enclosed with this Disclosure Statement;

2. indicate your vote on the enclosed ballot;

3. date, sign and mail the ballot to Russell W. Savory, 119 South Main Street, Suite 500, Memphis, Tennessee 38103.

The Debtor, as proponent of the Plan, believes that the Plan provides the greatest possible recovery to all claimants. The Debtor believe that acceptance of the Plan is in the best interest of all claimants and recommends voting for the Plan.

III. HISTORY OF THE DEBTOR

Debtor maintains it principal place of business at 2672 Channel Avenue, Memphis, Tennessee and is an over the road trucking company with approximately 4 employees, and 12 owner/operators. It primarily focuses on the regional steel deliveries. The Debtor is a single member Limited Liability Company whose sole member is James R. Pipkin, Jr.

IV. THE CHAPTER 11 PROCEEDINGS

This Chapter 11 case was filed on April 18, 2016. The Debtor has continued business operations as debtor-in-possession. The Debtor has obtained approval of limited post-petition financing and factoring of its receivables.

V. SUMMARY OF POST-PETITION OPERATIONS

The Debtor has continued normal operations during the Chapter 11 case. More detailed information regarding post-petition operations can be found in the Monthly Operating Reports that have been filed with the Court. The two most recently filed Monthly Operating Reports are attached as Exhibits to this Disclosure Statement.

VI. OTHER LITIGATON

There is no other litigation inside or outside the Chapter 11 case in which the Debtor is involved.

VII. THE PLAN OF REORGANIZATION

A. Future Operations of Debtor

The Plan provides that the Debtor continue operating under existing management.

B. Means for Payment of Claims

The Plan provides that Claims will be paid from future business operations. Attached as an Exhibit hereto is a Schedule of monthly payment to holders of general, unsecured claims.

C. Payment of Claims

The Plan provides for payment of claims as follows:

4.1 Class 1 Administrative Claims.

Allowed Class 1 claims shall be paid in cash on the Effective Date of the Plan. Any administrative claims representing liability incurred in the ordinary course of business of the Debtor may be paid in cash in the

ordinary course of business. Included in this class are the attorney and accountant's fees incurred by the Debtor. Additionally, any United States Trustee Quarterly Fees due and owing or assessable prior to confirmation shall be paid in full on the Effective Date of the Plan and any post-confirmation United States Trustee Fees shall be paid pursuant to 28 U.S.C. Section 1930(a)(6). Class 1 is deemed to be unimpaired.

4.2 Class 2 Unsecured Priority Claim.

Internal Revenue Service. The Internal Revenue Service is owed $54,730.35 as a priority claim. This claim shall be paid in 48 equal monthly installments, amortized based on the Federal Interest Rate in effect on the Effective Date of the Plan. Class 2 is deemed to be impaired.

4.3 Class 3 Bank Tennessee

Bank Tennessee is owed a principal balance of $192,237.39 as a secured claim. This claim will be paid by reamortizing the balance owing as of the Effective Date of the Plan over 20 years with interest at the WSJ Prime Rate to be adjusted annually on each anniversary of the Effective Date of the Plan, with monthly payments of principal and interest until November 30, 2026, at which time the entire unpaid balance shall be paid in full. Class 3 shall retain its lien. Class 3 is deemed to be impaired.

4.4 Class 4 General Unsecured Claims.

Allowed Unsecured Non-priority Claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. Included in this Class are all claims not specifically classified in this Plan. Class 4 claims shall be paid in full over one hundred twenty (120) months from the Effective Date of the Plan without interest. Class 4 is deemed to be impaired.

4.5 The Class 5 Claim of Gulf Coast Business Credit, if any, shall be treated according to the existing contractual agreement with the Debtor. Class 5 shall retain its lien. Class 5 is deemed to be unimpaired.

4.6 The Class 6 claim of the sole equity holder, James R. Pipkin, Jr., shall retain his interest in consideration of his continuing guarantees of debt and services to be rendered in the future on behalf of the Debtor.

4.7 All fees of the United States Trustee payable under 28 U.S.C.§ 1930, as determined by the court will be paid on the Effective Date of this plan.

VIII. LIQUIDATION ANALYSIS

The following is a pro forma analysis of the expected distribution pursuant to a hypothetical plan of liquidation.

Furniture, Fixtures, Equipment	$3,000
Vehicles and Trailers	$135,000
Receivables	$9,000
Cash and deposits	$10,000
Less Secured Claims (Bank Tennessee)	($192,237)
Total	$0.00
Est. Chapter 11 Administrative Claims	($10,000)
Est. Chapter 7 Administrative Claims	N/A
Priority Tax Claims	$54,730
Total Available for Unsecured Creditors	$0.00
Total Unsecured Claims (Est.):	$381,000.00

Estimated percentage paid to Unsecured Creditors in hypothetical Chapter 7 liquidation: 0%

IX. CONFIRMATION PROCESS

Notwithstanding acceptance of the Plan by Classes of Claimants, in order to confirm the Plan the Bankruptcy Court must independently determine that the Plan is in the best interest of all claimants. The "best interest" test requires that the Court find that the Plan provides each member of each impaired Class with a recover that is at least equal to the value of the distribution each Claimant would receive if the Debtor were

liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date. The Debtor believes that the Plan satisfies this test.

The Debtor believes that the Plan is in the best interest of the Claimants. In a Chapter 7 proceeding, a Chapter 7 trustee would be appointed to liquidate the Debtor's assets. There is no guarantee that the trustee would be able to sell the debtor's assets for the full value listed in the schedules. The Chapter 7 trustee would be entitled to receive a commission equal to 25% of the first $5,000 disbursed, 10% of the next $45,000 disbursed, 5% of the next $950,000 and 3% of the balance. Further, a Chapter 7 trustee would retain professionals, including attorneys and accountants, in order to resolve objections to claims and other disputes. Both the Chapter 7 trustee and professionals retained by the Chapter 7 trustee would require time to familiarize themselves with this case and would accrue fees treated as administrative expenses. The Debtor believes that such a process would result in substantial duplication of effort and expenses incurred during this Chapter 11 case, as well as delay to the Claimants. Thus, the appointment of a Chapter 7 trustee would increase the administrative expenses in this case and diminish the funds available for distribution.

The Debtor believes that the Plan provides the greatest possible recovery to the Claimants. Therefore, the Debtor believes that acceptance of the Plan is in the best interest of the Claimants and recommends that you vote to accept the Plan.

Respectfully submitted,

BEARD & SAVORY, PLLC

/s/ Russell W. Savory

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