

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF LOUISIANA**

In re **09-11897**
Fundamental Provisions, L.L.C. **Chapter 11**
Jointly Administered

Debtor.

In re **09-11900**
Pollo, Inc. **Chapter 11**
Jointly Administered

Debtor.

In re **09-11901**
Thaxco, Inc. **Chapter 11**
Jointly Administered

Debtor.

**FIRST AMENDED JOINT DISCLOSURE STATEMENT FOR
FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION
FOR FUNDAMENTAL PROVISIONS, LLC AND
AFFILIATES AS OF APRIL 16, 2010**

**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.**

HELLER, DRAPER, HAYDEN, PATRICK
& HORN, L.L.C.
William H. Patrick, III (La. Bar No. 10359)
Barry Miller (La. Bar No. 09678)
Cherie Nobles (La. Bar No. 30476)
650 Poydras Street, 25th Floor
New Orleans, LA 70130-6103
Telephone: (504) 299-3300
Facsimile: (504) 299-3399

Counsel for Debtors and Debtors in Possession

Date: April 16, 2010

TABLE OF CONTENTS

	Page
INTRODUCTION	D-1
I. PURPOSES AND SUMMARY OF PLAN	D-11
A. OVERVIEW OF THE PLAN	D-11
B. MANAGEMENT OF THE DEBTORS	D-13
C. MANAGEMENT OF THE REORGANIZED DEBTORS	D-14
II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS	D-15
A. SUMMARY CHART OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS	D-15
B. DETERMINATION AND ALLOWANCE OF CAPITALIZED CLAIMS	D-26
III. GENERAL OVERVIEW AND BACKGROUND INFORMATION	D-27
A. BACKGROUND AND GENERAL INFORMATION	D-27
1. The Debtors' Corporate Structure, History and Operations	D-27
2. Franchise Agreements	D-29
3. Debtor's Capital Structure	D-30
4. The Debtors' Assets	D-33
5. Financial Results	D-33
6. Historic Financial Information	D-33
B. EVENTS LEADING TO THESE CHAPTER 11 CASES	D-33
C. SIGNIFICANT POST-PETITION EVENTS	D-34
1. First Day Motions	D-34
2. Post Petition Disbursements and Payments	D-36

3.	Employment of Professionals of Debtors	D-36
4.	Operational First Day Orders.....	D-38
5.	Other First Day Orders.....	D-38
6.	Cash Collateral Orders	D-39
7.	Other Post Petition Events	D-40
8.	Bar Date for Filing Proof of Claims	D-41
9.	Monthly Operating Reports, Schedules, Statement of Financial Affairs, Meeting of Creditors	D-41
10.	Exclusivity Period.....	D-42
11.	Financial Results During the Chapter 11 Cases.....	D-42
12.	Historic Financial Information.....	D-42
IV. THE PLAN		D-42
A.	BUSINESS MODEL UNDER THE PLAN	D-42
B.	VALUATION OF DEBTORS' ASSETS.....	D-44
C.	IMPLEMENTATION OF THE PLAN	D-46
1.	General Provision.....	D-46
2.	Redemption of Property Sold, Assigned or Transferred At Tax Sale	D-46
3.	Status of Existing Liens of Priority Tax Claims, Property Tax Claims, Property Lenders' Secured Claims, Equipment and Property Lenders' Secured Claims, and Equipment Lenders' Secured Claims	D-47
4.	Officers, Managers and Directors of the Reorganized Debtors	D-47
5.	Reduction of Insurance Expenses	D-48
6.	Distribution Under Plan	D-48
7.	Objections to Claims and Interests; Prosecution of Disputed Claims and Interests	D-51

8.	Estimation of Disputed Claims and Interests.....	D-51
9.	No Distributions on Account of Disputed, Contingent or Unliquidated Claims and Interests.....	D-52
D.	CONDITIONS TO OCCURRENCE OF EFFECTIVE DATE, DATE OF PLAN AND NOTICE OF EFFECTIVE DATE.....	D-52
1.	Conditions to Occurrence of the Effective Date of Plan.....	D-52
2.	Filing Notice of the Effective Date.....	D-53
3.	Revocation or Withdrawal of Plan.....	D-53
E.	EFFECT OF CONFIRMATION OF PLAN.....	D-54
1.	Vesting of Assets and Retained Causes of Action.....	D-54
2.	Binding Effect.....	D-55
3.	Discharge of Debtors	D-56
4.	Indemnification Obligations	D-57
5.	Terms of Certain Injunction.....	D-57
6.	No Successor Liability.....	D-58
7.	Preservation of All Causes of Action Not Expressly Settled or Released.....	D-58
VII.	EXECUTORY CONTRACTS AND UNEXPIRED LEASES	D-60
VIII.	FUTURE LITIGATION	D-65
IX.	CERTAIN MISCELLANEOUS AND OTHER PROVISIONS	D-66
A.	Payment of Statutory Fees	D-66
B.	Notice.....	D-66
C.	Headings	D-67
D.	Governing Law	D-67
E.	Additional Documents	D-67

F	Compliance with Tax Requirements.....	D-68
G.	Exemption from Transfer Taxes	D-68
H.	Further Authorizations	D-68
I.	Successors and Assigns.....	D-68
J.	Modification and Amendment of the Plan.....	D-69
K.	Right of debtor to Pre Pay Installment.....	D-69
IX. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES.....		D-69
A.	Tax Consequences to the Debtors.....	D-71
B.	Tax Consequences to Certain Holders of Claims and Equity Interests	D-71
X. CONFIRMATION PROCEDURE.....		D-72
A.	Voting and Other Procedures.....	D-72
B.	The Confirmation Hearing on the Plan.....	D-75
C.	Unfair Discrimination and Fair and Equitable Tests	D-76
D.	Feasibility of Plan	D-78
E.	Best Interest Test / Liquidation Analysis.....	D-78
F.	Post Confirmation Management	D-80
G.	Certain Risk Factors to Be Considered.....	D-80
H.	Certain Bankruptcy Considerations	D-81
I.	Disclaimers and Endorsements.....	D-81
XI. CONCLUSION AND RECOMMENDATION.....		D-82

DISCLOSURE STATEMENT EXHIBITS

- EXHIBIT D-1 First Amended Joint Chapter 11 Plan of Reorganization for Fundamental Provisions, LLC and Affiliates as of April 16, 2010
- EXHIBIT D-2 Description of Debtors' Assets with Values
- EXHIBIT D-3 Liquidation Analysis
- EXHIBIT D-4 Historical Financial Information consisting of Balance Sheets and Profit and Loss Statements
- EXHIBIT D-5 Key Plan of Reorganization Assumptions, Income Projections and Debt Restructuring
- EXHIBIT D-6 Property Tax Sales Properties
- EXHIBIT D-7 Executory Contracts
- EXHIBIT D-8 Schedule of Life Insurance Policies and Cash Values

INTRODUCTION

Fundamental Provisions, LLC (“Fundamental”), Pollo, Inc. (“Pollo”) and Thaxco, Inc. (“Thaxco”), (each a “Debtor” and collectively, the “Debtors”) have filed a First Amended Joint Chapter 11 Plan of Reorganization for Fundamental Provisions, LLC and Affiliates as of April 16, 2010 (together with any modifications, amendments or supplements, the “Plan”). The Plan is attached hereto and incorporated herein as Exhibit D-1. The Debtors submit this First Amended Joint Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization for Fundamental Provisions, LLC and Affiliates as of April 16, 2010 (the “Disclosure Statement”) pursuant to Section 1125 of title 11 of the United States Code (the “Bankruptcy Code”) to holders of Claims against and Interests in the Debtors. The Disclosure Statement is submitted in connection with (i) the solicitation of acceptances or rejections of the Plan filed by the Debtors with the United States Bankruptcy Court for the Middle District of Louisiana (the “Bankruptcy Court”), and (ii) the hearing to consider approval of the Plan (the “Confirmation Hearing”) scheduled for the date set forth in the accompanying notice. For the purposes of this Disclosure Statement, and any subsequent amendments or modifications hereof, the terms defined in the Plan shall have the same meaning herein, and a term not defined in the Plan shall have the meaning as set forth in the Bankruptcy Code. In the event of a conflict or difference between the definitions used in the Disclosure Statement and the Plan, the definitions contained in the Plan shall control. For ease of reference, those definitions have been reproduced below:

1.1 “*Administrative Expense Claim*” shall mean a Claim for any cost or expense of administration of any Debtor’s Chapter 11 Case entitled to priority in accordance with the provisions of Sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, (a) actual and necessary expenses of preserving the Estates and operating the Debtors’

businesses, (b) fees and expenses of Professionals to the extent allowed by a Final Order under Sections 328, 330 and 503 of the Bankruptcy Code, and (c) fees and charges properly assessed against the Debtors in Possession under Section 1930 of title 28 of the United States Code. It shall not include the cure costs with respect to executory contracts and unexpired leases assumed by the Debtors pursuant to Section 365 of the Bankruptcy Code.

1.2 “*Allowed*” shall mean with respect to any Claim against or Interest in any Debtor, a Claim or Interest (a) proof of which is timely Filed (or by order of the Bankruptcy Court or as otherwise provided herein is not required to be Filed), (b) that is listed by such Debtor in its Schedules as liquidated in amount, non-disputed and non-contingent and for which no proof of claim has been Filed, or (c) expressly allowed pursuant to this Plan; and, in each case with respect to (a) and (b) above, either (i) no objection (or an amendment of the Schedules with respect thereto) to its allowance, amount, or classification has been interposed within the applicable period for filing same fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (ii) such objection (or an amendment of the Schedules with respect thereto), if so interposed, has been determined and fixed by a Final Order (but only to the extent so determined and fixed and not where fixed and allowed solely for purposes of voting to accept or reject the Plan). Claims that are not Allowed or are disallowed by Final Order or otherwise, including those disallowed under Section 502(d) of the Bankruptcy Code, shall not be Allowed Claims.

1.3 “*Allowed Amount*” shall mean, with respect to each Claim:

- (a) the dollar amount of an Allowed Claim as determined by a Final Order or as set forth in this Plan;
- (b) in the event that no such determination of the Allowed Amount of a Claim is made pursuant to subsection (a), the dollar amount agreed to by the Claimant and the applicable Debtor or, after the Effective Date, the applicable Reorganized Debtor;

(c) in the event that no Allowed Amount is determined pursuant to clause (a) or agreed to pursuant to clause (b) above, the amount estimated by a Final Order of the Bankruptcy Court for purposes of distribution pursuant to Section 502 of the Bankruptcy Code; or

(d) in the event that an Allowed Amount is not determined, agreed to or estimated pursuant to clauses (a), (b) or (c) above, the dollar amount as to which no objection to the allowance, amount or classification thereof has been interposed within the applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court.

Unless otherwise specified herein or in a Final Order, the Allowed Amount of any Claim shall not include interest accruing on such Claim from and after the Petition Date.

1.4 “*Allowed Claim*” shall mean a Claim to the extent that it has been Allowed. It shall include the total principal amount of the claim, plus, if applicable, including allowed interest, allowed attorney’s fees, and any other allowed charges, fees or penalties to the extent allowable under 11 U.S.C. § 506.

1.5 “*Assets*” shall mean all property of the Debtors as defined in Section 541(a) of the Bankruptcy Code, including but not limited to, all of the Debtors’ rights, title and interests in and to all real property and appurtenances thereto, improvements thereon, cash, deposits, telephone numbers, trade names, trade secrets, trademarks, copyrights, business “know how,” goodwill, bank accounts of any and all types of any kind, tangible personal property, furniture, fixtures, equipment, machinery, inventory, general intangibles, general accounts, accounts receivable, intellectual property of all types and kinds, contract rights, licenses and permits, contracts and agreements, privileges of any and all kinds, and any and all other property and rights of the Debtors and their estates, including any and all Avoidance Claims and Causes of Action and any and all defenses, which could be exercised by or on behalf of a Chapter 11 trustee or a debtor in possession.

1.6 “*Avoidance Claim*” shall mean all rights, claims, causes of action, avoiding powers, suits and proceedings of or brought by or which may be asserted by a debtor in

possession or a person under chapter 5 of the Bankruptcy Code, including by way of illustration and not limitation, under Sections 510, 541, 544, 547, 548, 549, 550, 553 and 554 of the Bankruptcy Code, together with any claims, rights, remedies or demands that may be asserted by a creditor or representative of creditors under similar applicable state or other laws, and claims in the nature of substantive consolidation, successor liability, veil piercing, or alter-ego.

1.7 “*Bankruptcy Code*” shall mean title 11 of the United States Code, as amended from time to time.

1.8 “*Bankruptcy Court*” shall mean the United States Bankruptcy Court for the Middle District of Louisiana; having jurisdiction over the Chapter 11 Cases, or if such court ceases to exercise jurisdiction over the Chapter 11 Cases, such other court having jurisdiction under Title 28 of the United States Code over the Chapter 11 Cases.

1.9 “*Bankruptcy Rules*” shall mean the Federal Rules of Bankruptcy Procedure, the Federal Rules of Civil Procedure, and the Local Rules of the Bankruptcy Court, in each case as amended from time to time during the Chapter 11 Cases.

1.10 “*Business Day*” shall mean any day that is not a Saturday, Sunday or “legal holiday” as defined in Bankruptcy Rule 9006(a).

1.11 “*Capitalize*” or “*Capitalized Claim*” shall mean the amount of a Secured Claim to include outstanding principal, accrued interest through the Effective Date, and reasonable attorneys’ fees and expenses allowable pursuant to 11 U.S.C. §506. This amount will be paid in full in accordance with the terms of the Plan.

1.12 “*Cash*” shall mean legal tender of the United States of America, cash equivalents, and readily marketable securities or instruments, including but not limited to, bank deposits, accounts, certified or cashiers checks, timed certificates of deposit issued by any bank,

commercial paper, and readily marketable direct obligations of the United States of America or agencies or instrumentalities thereof.

1.13 “*Causes of Action*” shall mean, without limitation, any and all of the Debtors’ and the Estates’ actions, causes of action, rights, suits, claims, accounts, debts, sums of money, damages, judgments, claims and demands, redemption and repurchase of property, actions, defenses, offsets, powers (including all police, regulatory, and enforcement powers and actions that may be taken), privileges, licenses, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whatsoever, whether known or unknown, suspected or unsuspected, whether arising prior to, on or after the Petition Date, in contract or tort, in law, equity or otherwise, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable, accruing to and in favor of the Debtors or Debtors in Possession pursuant to the Bankruptcy Code or any applicable statute or law or legal theory. For avoidance of doubt, Causes of Action include, but are in no way limited to (a) rights of setoff, counterclaim or recoupment, and claims on contracts or for breaches of duties imposed by law, (b) claims pursuant to Section 362 of the Bankruptcy Code, (c) such claims and defenses as fraud, mistake, duress, and usury, (d) all Avoidance Claims, and (e) all Causes of Action that are assertable by or may be directly or derivatively asserted by the Debtors, their Estates, the Reorganized Debtors, or a representative of the Estate on behalf of Creditors of the Debtors or the Estate.

1.14 “*Chapter 11 Cases*” shall mean the chapter 11 cases of the Debtors pending before the Bankruptcy Court.

1.15 “*Chief Restructuring Officer*” shall mean such person appointed by the Bankruptcy Court to monitor and control all operations of the Debtors including disbursements, employment of key personnel and professionals, and the incurrence of debt, and is authorized to represent the Debtors in these Bankruptcy Cases and related matters.

1.16 “*Claim*” shall have the meaning set forth in Section 101(5) of the Bankruptcy Code.

1.17 “*Claimant*” or “*Creditor*” shall mean the holder of a Claim, together with any predecessor or successor in interest with respect to such Claim.

1.18 “*Class*” shall mean any group of Claims or Interests classified together by this Plan pursuant to Section 1122 of the Bankruptcy Code.

1.19 “*Collateral*” shall mean property of the bankruptcy Estates which secures a Claim of a Creditor of the Estates.

1.20 “*Confirmation Date*” shall mean the date of entry on the docket of the Bankruptcy Court of the Confirmation Order.

1.21 “*Confirmation Hearing*” shall mean the hearing before the Bankruptcy Court regarding confirmation of this Plan and related matters under Section 1128 of the Bankruptcy Code.

1.22 “*Confirmation Order*” shall mean the order signed by the Bankruptcy Court confirming this Plan.

1.23 “*Convenience Claim*” shall mean: (i) a General Unsecured Claim in an amount less than or equal to \$1,000; or (ii) a General Unsecured Claim in an amount greater than \$1,000 whereby the holder of such Claim agrees to reduce such Claim to \$1,000 and accept the treatment provided in this Plan to Convenience Claims; *provided further, however*, that any

General Unsecured Claim that is a component of a larger Claim shall not be considered or treated as a Convenience Claim in Class 22.

1.24 “*Cramdown*” shall mean the confirmation of this Plan pursuant to 11 U.S.C. § 1129(b) notwithstanding any rejection by an Impaired Class or Classes of holders of Claims or Interests of this Plan.

1.25 “*Debtors*” or “*Debtor*” shall mean Fundamental Provisions, LLC, Thaxco, Inc., and Pollo, Inc., collectively.

1.26 “*Debtor in Possession or Debtors in Possession*” shall mean the Debtors between the Petition Date and the Effective Date.

1.27 “*Disclosure Statement*” means the Disclosure Statement Filed in connection with the Plan, as modified or amended, approved by the Bankruptcy Court on _____, 2010 [P-_____].

1.28 “*Disputed Claim*” shall mean any Claim that is not an Allowed Claim. In the event that any portion of a Claim is not an Allowed Claim, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under this Plan until entry of a Final Order fixing and determining the Allowed Amount thereof. Without limiting any of the foregoing, a Claim that is the subject of or part of a pending objection, motion, complaint, counterclaim, setoff, recoupment, Avoidance Claim, litigation claim or defense, or any other proceeding seeking to disallow, subordinate or estimate such Claim, shall be deemed a Disputed Claim, unless the Plan or the Confirmation Order expressly provides otherwise.

1.29 “*Disputed Claims Reserve*” shall mean the reserve established pursuant to Section 7.8 of the Plan with respect to Disputed Claims.

1.30 “*Distribution Date*” shall mean each date any payment of Cash or distribution of Assets is due to the holders of Allowed Claims or Allowed Interests under this Plan.

1.31 “*Effective Date*” shall mean the date which is specified as the “Effective Date” in the Notice of Occurrence of Effective Date filed in the record of the Bankruptcy Case pursuant to Article 11.2 of the Plan.

1.32 “*Entity*” shall mean an individual, corporation, limited liability company, partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code) or any political subdivision thereof, or other person.

1.33 “*Equipment Lenders’ Secured Claims*” shall mean the Secured Claims of any Creditor whose Collateral consists only of personal (movable) property.

1.34 “*Equipment and Property Lenders’ Secured Claims*” shall mean the Secured Claims of any Creditor whose Collateral consists of both real (immovable) property and personal (movable) property.

1.35 “*Estate*” shall mean the estate of each Debtor, as defined in Section 541 of the Bankruptcy Code.

1.36 “*File*” or “*Filed*” means properly filed with the clerk of court of the Bankruptcy Court in the Chapter 11 Cases, as reflected on the official docket of the clerk of court of the Bankruptcy Court for the Chapter 11 Cases.

1.37 “*Franchisor*” means AFC Enterprises, Inc.

1.38 “*Final Order*” means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction (a) which has become final for purposes of 28 U.S.C. § 158 or such analogous law or rule in the case of an order of a state court and (b)(i) as to which the time

to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtors (or, if after the Effective Date, by the Reorganized Debtors) or, (ii) in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, (x) such order or judgment of the Bankruptcy Court or other applicable court shall have been affirmed by the highest court to which such order or judgment was appealed with no modifications thereof, or (y) certiorari, reargument or rehearing has been denied, and (z) the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired with no such further appeal, petition for certiorari or motion for reargument or rehearing having been sought or pending; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 or other analogous rules of state courts governing procedures in cases before other courts may be filed with respect to such order or judgment shall not render such order or judgment not to be a Final Order.

1.39 “*General Unsecured Claim*” means any Claim that is not an Administrative Claim, Priority Claim, Secured Claim, or a Claim otherwise specifically classified in another class in this Plan.

1.40 “*Impaired*” shall mean, with respect to any Class, that such Class is “impaired” under the Plan within the meaning of Section 1124 of the Bankruptcy Code.

1.41 “*Interests*” shall mean, collectively, any and all “equity securities” (as defined in Section 101(16) of the Bankruptcy Code) in a Debtor.

1.42 “*Lien*” shall have the meaning set forth in Section 101(37) of the Bankruptcy Code.

1.43 “*Petition Date*” shall mean December 8, 2009.

1.44 “*Plan*” shall mean this Joint Chapter 11 Plan of Reorganization in its present form or as it may, from time to time, be modified, amended or supplemented in accordance with the terms hereof, together with any exhibits thereto.

1.45 “*Prime Rate*” shall mean the prime rate, as reported by the Wall Street Journal on the Effective Date.

1.46 “*Priority Tax Claim*” shall mean any Claim entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code.

“*Professional*” shall mean any professional (a) retained by the Debtors in the Chapter 11 Cases or (b) to be compensated pursuant to Sections 327, 328, 330, 503(b), or 1103 of the Bankruptcy Code. It shall not include the attorneys or other professionals employed by any Creditor.

1.47 “*Property Lenders’ Secured Claims*” shall mean the Secured Claims of any Claimant who has Collateral consisting primarily of real (immovable) property.

1.48 “*Property Tax Claims*” shall mean any obligations that the Debtors have to any government unit or any other person or entity for a tax measured or determined based upon the value of property of the Estate and shall include any Claims in or concerning any property which may have been sold, transferred or forfeited as a result of the failure of the Debtors to pay any property tax liability, including ad valorem property taxes, and which may have been sold by any federal, state or local taxing authority at public or private sale and for which the Debtors have a right to redeem, recover or purchase such property from either the taxing authority or any

governmental unit or any trust, individual or entity that may have obtained or purchased such property or in any manner obtained any right or interest in such property.

1.49 “*Reorganized Debtors*” shall mean the Debtors after the Effective Date.

1.50 “*Schedules*” shall mean the schedules of assets and liabilities and the statement of financial affairs filed by the Debtors as required by Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as amended or supplemented through the Confirmation Date.

1.51 “*Secured Claim*” shall mean any Allowed Claim of any Claimant secured by a Lien on the Debtors’ interest in any Assets as set forth in the Plan or as determined by the Bankruptcy Court pursuant to Section 506(a) of the Bankruptcy Code.

1.52 “*Unimpaired*” shall mean, with respect to any Class, that such Class is not Impaired.

I. PURPOSES AND SUMMARY OF PLAN

THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. CREDITORS, HOLDERS OF INTERESTS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW AND ANALYZE THE PLAN IN ITS ENTIRETY.

The primary purposes of the Plan are to:

- Provide for the continued operation and growth of the Debtors’ restaurant business;
- Provide for the restructuring of the Debtors’ capital structure; and
- Provide for payments to Creditors and distributions to holders of Interests in accordance with the terms of the Plan.

A. OVERVIEW OF THE PLAN AND ANTICIPATED TRANSACTIONS PRIOR TO OR POSTCONFIRMATION

Under the Plan, the Debtors will retain ownership of or continue to lease twenty-six (26) Popeyes franchises located in Louisiana and Alabama, and will continue to operate those stores as Popeyes franchises. With respect to the other four operating Popeyes franchises, the Debtors have or will sell those locations. The Debtors have or will sell the stores located in Panama City,

Florida, Lynn Haven, Florida, Destin, Florida. The Debtors have or will submit a motion to transfer or convey the Lynn Haven and Panama City stores to Norsco Management, Inc. in full satisfaction of this creditor's Claims against the Debtors. Norsco Management, Inc. is secured by the land and store building owned by the Debtors. The Debtors will also market and attempt to sell the Destin, Florida assets under terms and conditions agreeable and acceptable to Beach Community Bank, who holds a secured interest in this store. However, until an actual sale is arranged and agreed to with Beach Community Bank, Beach Community Bank shall receive distributions as set forth in the Plan.

Additionally, the Debtors will transfer the land and building of its former store location in Winnfield, Louisiana. The Court has approved the debtors' motion to transfer and convey the Winnfield, Louisiana property to Sabine Bank in full satisfaction of this Creditor's Claims against the Debtors. Sabine Bank has a first mortgage on the land and building owned by the Debtors for the Winnfield, La. Property.

Furthermore, the Debtors have or will enter into a sale and leaseback arrangement with Amar Oil Company concerning the Sorrento store. The Debtors have or will file a motion with the Bankruptcy Court seeking to sell the land and building located in Sorrento, Louisiana to Amar Oil Company for the purchase price of \$760,000.00. The Debtors will then lease the store back from Amar Oil Company at a monthly rate of \$4,500 per month for a term of fifteen (15) years, with an option to repurchase the store within five (5) years for the original purchase price. The sales proceeds will be paid to Fidelity Bank in partial satisfaction of its Secured Claim. Fidelity Bank will retain its lien and mortgages on the remainder of its Collateral.

The Debtors have obtained Court approval, after notice and hearing, to sell the land located in Port Vincent, Louisiana to Darryl Zachary for the purchase price of \$38,994.00. The

sales proceeds will be paid to First National USA Bank in partial satisfaction of its Secured Claim. First National USA Bank will retain its lien and mortgages on the remainder of its Collateral.

The Debtors do not have any plans to expand their operations; however, the Debtors are not limiting their options, and if they determine it is in their reasonable business judgment to expand in the future, the Debtors may pursue such opportunities.

Secured Claims will be Capitalized in accordance with the provisions of the Plan and paid in full, with interest, in periodic installments. The Administrative Expense Claims, Priority Tax Claims, and Property Tax Claims will also be paid in full, over time, with interest, but without penalties. The taxing authorities shall retain any valid prepetition liens they may have had to secure their respective claims. The Unsecured Creditors will be paid 100% of their prepetition Claims in fifteen (15) installments, with the first payment to come due no later than December 31, 2010. The holders of Convenience Claims will be paid 100% of their prepetition Claims sixty (60) days after the Effective Date. The existing holders of Interests in the Debtors will retain their Interests, but will not receive any dividends until all Creditors are paid in full under the Plan.

B. MANAGEMENT OF THE DEBTORS

The senior corporate management of the Debtors is as follows:

David M. Bagley, Chief Restructuring Officer, whose employment was approved by the Bankruptcy Court, [P-148].

Stanley Ware, Chief Executive Officer

Guy Ware, Chief Operating Officer

C. MANAGEMENT OF THE REORGANIZED DEBTORS

It is anticipated that, on the Effective Date, the current officers and managers of the Debtors will continue to hold their respective positions, and continue in their current management positions with the Reorganized Debtors. After the Effective Date, the initial compensation for management will be as follows:

David M. Bagley shall be paid in accordance with the *Final Order Authorizing the Employment and Retention of MorrisAnderson & Associates, Ltd. and David Bagley as Chief Restructuring Officer* [P-148]. David Bagley shall retain control of the operations of the Reorganized Debtors and control of all disbursements. Under the Plan, Mr. Bagley will remain Chief Restructuring Officer through the first to occur of: (1) the three (3) year anniversary of the Effective Date and the successful completion of payments contemplated under the Plan through the three (3) year anniversary of the Effective Date; (2) the refinancing of the Entities and subsequent payment in full of all Claims due under the Plan, extinguishing all debts detailed within the Plan; or (3) the sale of the Entities; or (4) the conversion of the Entities to a Chapter 7 proceeding; or (5) the replacement or removal of MorrisAnderson and Mr. Bagley as Chief Restructuring Officer by order of the Bankruptcy Court after notice and hearing. Mr. Bagley may terminate his position voluntarily or be removed upon motion of a party in interest for just cause as may be determined in the discretion of the Bankruptcy Court.

Stanley Ware: \$7,823 biweekly, health insurance, vehicle loan payment, vehicle insurance and maintenance allowance, gas allowance and cell phone allowance;

Guy Ware: \$3,502 biweekly, health insurance allowance, vehicle loan payment, vehicle insurance and maintenance allowance, gas allowance and cell phone allowance.

The compensation of Stanley Ware and Guy Ware shall continue to be paid in accordance with the Court's order [P-70] granting the Debtors' *Motion for Authority to Approve Compensation and Payment to Insiders* [P-45]. Additionally, neither the Debtors nor the Reorganized Debtors shall make any loans, pay any dividends, or make any other distributions to Stanley Ware, Guy Ware, any relatives of Stanley Ware or any other insiders of the Debtors until all allowed claims have been satisfied in full.

II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. SUMMARY CHART OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

The following is a Summary of Classification and Treatment of Claims and Interests

under the Plan:

CLASS	TREATMENT
<p>Unclassified. Allowed. Administrative Expense Claims.</p> <p>The total estimate of Administrative Expense Claims is approximately \$100,000.</p>	<p>Unimpaired. Not Entitled to Vote.</p> <p>Subject to Section 2.1.2 of the Plan, each Allowed Administrative Expense Claim shall be paid in full, in Cash, by the Reorganized Debtors on the Effective Date or upon such other terms as may be agreed upon by the holder of such Allowed Administrative Expense Claim and the Reorganized Debtors or otherwise established pursuant to an order of the Bankruptcy Court; <i>provided, however</i>, that Administrative Expense Claims representing liabilities incurred in the ordinary course of business by any Debtor in Possession shall be paid by the applicable Reorganized Debtor in accordance with the terms and conditions of the particular transactions, the applicable non-bankruptcy law, and any agreements relating thereto or any order of the Bankruptcy Court.</p> <p>All Professionals, who are seeking compensation or who have been compensated from the estates of the Debtors in Possession during the Chapter 11 Cases, or who are seeking compensation from the estates of the Debtors in Possession or from the Reorganized Debtors for services rendered or reimbursement of expenses incurred from the Petition Date through and including the Effective Date, pursuant to Sections 327, 328, 330, 503(b), or 1103 of the Bankruptcy Code, shall (a) File final applications for allowance of compensation for services and reimbursement of expenses incurred from the Petition Date through the Effective Date by no later than the date that is forty-five (45) days after the Effective Date, and (b) if granted such an award by the Bankruptcy Court, be paid in full by the Reorganized Debtors or as otherwise provided in this Plan in such amounts as are Allowed by Final Order of the Bankruptcy Court (i) on the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable, or (ii) when mutually agreed upon by such holder of an Administrative Expense Claim and the Reorganized Debtors.</p> <p>Except with respect to any Administrative Expense Claims for which a different deadline is established by Article 2 of the Plan, any Administrative Expense Claims must be Filed no later than thirty (30) days after the Effective Date or any such Administrative Expense Claim is and shall be deemed to be forever barred and unenforceable against the Debtors, Reorganized Debtors, their respective estates, and their Assets, and the holders of any such Claims are barred from recovering any distributions under the Plan on account thereof.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 1. Priority Tax Claims.</p> <p>The total estimate of Priority Tax Claims is</p>	<p>Impaired. Entitled to Vote.</p> <p>Each holder of an Allowed Priority Tax Claim shall be paid the Allowed Amount of its Allowed Priority Tax Claim, excluding any penalties assessed by such taxing authority, but including applicable interest which at the option of the Reorganized Debtors shall be</p>

<p>approximately \$3.347 million (IRS \$1.455 million; Sales and Use Taxes \$1.16 million; with \$725,000 in penalties, which will not be paid under the Plan)</p>	<p>paid (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Priority Tax Claim and the Reorganized Debtors; or (c) in Cash payments commencing sixty (60) days after the Effective Date, in equal quarterly installments, with an amortization rate calculated on a twenty-five (25) year repayment period, with interest at such rate as required by Section 511 of the Bankruptcy Code or otherwise as required by Section 1129(a)(9)(C) or (D) of the Bankruptcy Code, with the outstanding principal balance, together with all accrued and unpaid interest, being due and payable on December 8, 2014.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 2. Property Tax Claims.</p> <p>The total estimate of Property Tax Claims is approximately \$275,910.</p>	<p>Impaired. Entitled to Vote.</p> <p>Each holder of an Allowed Property Tax Claims shall be paid the Allowed Amount of its Allowed Property Tax Claim, at the option of the Reorganized Debtors: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Claim and the Reorganized Debtors; or (c) in full, in Cash, in four (4) equal quarterly installments, with interest at the applicable legal rate, with the first payment being due sixty (60) days after the Effective Date.</p> <p>Provided further, that the Debtors shall be authorized to pay any Claims of any Claimants in this Class in full in order to preserve and protect their rights and interests in such property and in order to redeem, repurchase or reclaim such property in accordance with applicable law prior to the expiration date of any such redemption, reclamation or repurchase period.</p> <p>Notwithstanding the foregoing, nothing in the Plan or the treatment provided in Article 3.2.2 of the Plan is intended to discharge or alter the validity, priority, and enforceability of any Liens or security interests afforded to or permitted for Allowed Property Tax Claims under applicable law.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 3: Secured Claim of Beach Bank.</p> <p>The Allowed Secured Claim of Beach Community Bank is approximately \$928,000, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Equipment and Property Lenders' Secured Claims, consisting of Classes 3, 4 and 13, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty (20) year amortization schedule of their Capitalized Claims as determined in accordance with Article 4.4 of the Plan, with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment and Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 3, 4 and 13 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p>

	<p><u>Collateral</u> The holders of the Equipment and Property Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment and Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of Equipment and Property Lenders' Secured Claims liens and security interests.</p> <p>Estimated Percentage Recovery. 100%</p>
<p>Class 4: Secured Claim of Britton & Koontz Bank</p> <p>The Allowed Secured Claim of Britton & Koontz Bank is approximately \$2.297 million, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Equipment and Property Lenders' Secured Claims, consisting of Classes 3, 4 and 13, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty (20) year amortization schedule of their Capitalized Claims as determined in accordance with Article 4.4 of the Plan, with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment and Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 3, 4 and 13 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u> The holders of the Equipment and Property Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment and Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of Equipment and Property Lenders' Secured Claims liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 5: Secured Claim of Dow Federal Credit Union.</p> <p>The Allowed Secured Claim of Dow Federal Credit Union is approximately \$225,500, plus accrued</p>	<p>Impaired. Entitled to Vote.</p> <p>The Equipment Lenders' Secured Claims, consisting of Classes 5, 9, 10, 14 and 19, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a five (5) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the</p>

<p>interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 5, 9, 10, 14 and 19 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Equipment Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of the Equipment Lenders' Secured Claims Liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 6: Secured Claim of Estate of Camille Corte.</p> <p>The Allowed Secured Claim of Estate of Camille Corte is approximately \$2.2 million principal, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Property Lenders' Secured Claims, consisting of Classes 6, 7, 8, 11, 12, 15, and 18, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty-five (25) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a Claim of this Class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 6, 7, 8, 11, 12, 15, and 18 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, due and payable on the fifth (5th) annual anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Property Lenders' Secured Claims shall retain all of their Liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the Property Lenders' liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>

<p>Class 7: Secured Claim of Fidelity Bank.</p> <p>The Allowed Secured Claim of Fidelity Bank is approximately \$4.4 million, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Property Lenders' Secured Claims, consisting of Classes 6, 7, 8, 11, 12, 15, and 18, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty-five (25) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a Claim of this Class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 6, 7, 8, 11, 12, 15, and 18 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, due and payable on the fifth (5th) annual anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Property Lenders' Secured Claims shall retain all of their Liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the Property Lenders' liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 8: Secured Claim of First National Bank</p> <p>The Allowed Secured Claim of First National Bank is approximately \$697,000, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Property Lenders' Secured Claims, consisting of Classes 6, 7, 8, 11, 12, 15, and 18, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty-five (25) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a Claim of this Class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 6, 7, 8, 11, 12, 15, and 18 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, due and payable on the fifth (5th) annual anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Property Lenders' Secured Claims shall retain all of their Liens and</p>

	<p>security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the Property Lenders' liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 9: Secured Claim of Ford Motor Credit</p> <p>The Allowed Secured Claim of Ford Motor Credit is approximately \$54,530, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Equipment Lenders' Secured Claims, consisting of Classes 5, 9, 10, 14 and 19, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a five (5) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 5, 9, 10, 14 and 19 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Equipment Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of the Equipment Lenders' Secured Claims Liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 10: Secured Claim of G.M.A.C.</p> <p>The Allowed Secured Claim of G.M.A.C. is approximately \$22,423, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Equipment Lenders' Secured Claims, consisting of Classes 5, 9, 10, 14 and 19, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a five (5) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 5, 9, 10, 14 and 19 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p>

	<p>anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Equipment Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of the Equipment Lenders' Secured Claims Liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 11: Secured Claim of Guaranty Bank</p> <p>The Allowed Secured Claim of Guaranty Bank is approximately \$859,000 principal, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Property Lenders' Secured Claims, consisting of Classes 6, 7, 8, 11, 12, 15, and 18, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty-five (25) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a Claim of this Class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 6, 7, 8, 11, 12, 15, and 18 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, due and payable on the fifth (5th) annual anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Property Lenders' Secured Claims shall retain all of their Liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the Property Lenders' liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 12: Secured Claim of Iberville Bank</p> <p>The Allowed Secured Claim of Iberville Bank is approximately \$2.12 million, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Property Lenders' Secured Claims, consisting of Classes 6, 7, 8, 11, 12, 15, and 18, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty-five (25) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a Claim of this Class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 6, 7, 8, 11, 12, 15, and 18 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011;</p>

	<p>the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, due and payable on the fifth (5th) annual anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Property Lenders' Secured Claims shall retain all of their Liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the Property Lenders' liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 13: Secured Claim of Irwin Franchise Capital Bank</p> <p>The Allowed Secured Claim of Irwin Franchise Capital Bank is approximately \$5.155 million, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Equipment and Property Lenders' Secured Claims, consisting of Classes 3, 4 and 13, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty (20) year amortization schedule of their Capitalized Claims as determined in accordance with Article 4.4 of the Plan, with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment and Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 3, 4 and 13 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Equipment and Property Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment and Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of Equipment and Property Lenders' Secured Claims liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 14: Secured Claim of Main Street Bank</p> <p>The Allowed Secured Claim of Main Street</p>	<p>Impaired. Entitled to Vote.</p> <p>The Equipment Lenders' Secured Claims, consisting of Classes 5, 9, 10, 14 and 19, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a five (5) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as</p>

<p>Bank is approximately \$584,886.58, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 5, 9, 10, 14 and 19 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Equipment Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of the Equipment Lenders' Secured Claims Liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 15: Secured Claim of MC Bank</p> <p>The Allowed Secured Claim of MC Bank is approximately \$1.03 million, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Property Lenders' Secured Claims, consisting of Classes 6, 7, 8, 11, 12, 15, 16, 17, and 18, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty-five (25) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a Claim of this Class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 6, 7, 8, 11, 12, 15, 16, 17, and 18 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, due and payable on the fifth (5th) annual anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Property Lenders' Secured Claims shall retain all of their Liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the Property Lenders' liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>

<p>Class 16: Secured Claim of Norsco Management</p> <p>The Allowed Secured Claim of Norsco Management is approximately \$3.3 million, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Unimpaired. Not Entitled to Vote.</p> <p>The Debtors have or will transfer the property located at the Panama City, Florida and Lynn Haven, Florida locations securing this Creditors' Claim, as well as other personal property, consisting of furniture, fixtures and equipment and consumable merchandise, to this Creditor in full and complete satisfaction of this Creditor's Claim. If the transfer and conveyance described above does not occur prior to confirmation, then the Court shall retain jurisdiction to effectuate such transfer. The property securing this Creditor's Claim and other property to be transferred shall not revert in the Reorganized Debtors, but shall remain property of the Estates until such sale is perfected.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 17: Secured Claim of Sabine Bank</p> <p>The Allowed Secured Claim of Sabine Bank is approximately \$343,000, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Unimpaired. Not Entitled to Vote.</p> <p>The Debtors have or will transfer the property located at the Winnfield, Louisiana location securing this Creditors' Claim, to this Creditor in full and complete satisfaction of this Creditor's Claim. If the transfer and conveyance described above does not occur prior to confirmation, then the Court shall retain jurisdiction to effectuate such transfer. The property securing this Creditor's Claim shall not revert in the Reorganized Debtors, but shall remain property of the Estates until such sale is perfected.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 18: Secured Claim of Source Bidco</p> <p>The Allowed Secured Claim of Source Bidco is approximately \$240,000, plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote.</p> <p>The Property Lenders' Secured Claims, consisting of Classes 6, 7, 8, 11, 12, 15, and 18, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a twenty-five (25) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a Claim of this Class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Property Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 6, 7, 8, 11, 12, 15, and 18 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, due and payable on the fifth (5th) annual anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Property Lenders' Secured Claims shall retain all of their Liens and security interests in the Debtors' Assets granted to them pursuant to their applicable</p>

	<p>loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Property Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the Property Lenders' liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 19: Secured Claim of Trustmark Bank</p> <p>The Allowed Secured Claim of Trustmark Bank is approximately \$43955 , plus accrued interest through the Effective Date, and reasonable attorneys' fees and expenses allowable pursuant to 11 U.S.C. §506.</p>	<p>Impaired. Entitled to Vote</p> <p>The Equipment Lenders' Secured Claims, consisting of Classes 5, 9, 10, 14 and 19, if and to the extent they become Allowed Claims, shall be paid in full, with the Debtors making payments based upon a five (5) year amortization schedule with interest accruing at: (a) the Prime Rate plus 2.75% percent per annum, or (b) such rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the Allowed Amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property, or (c) upon such other terms as may be mutually agreed upon between the holder of the Equipment Lenders' Secured Claim and the Reorganized Debtors. The Allowed Claims in Classes 5, 9, 10, 14 and 19 shall be paid in fifteen (15) equal installments of principal and accrued interest, with the first installment being due no later than December 31, 2010; the second installment due no later than June 30, 2011; the third installment due no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments based upon the above amortization schedule, with the outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth (5th) anniversary of the Effective Date (but if such fifth (5th) anniversary date is not a Business Day, then on the next Business Day).</p> <p><u>Collateral</u></p> <p>The holders of the Equipment Lenders' Secured Claims shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to their applicable loan documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of their Allowed Equipment Lenders' Secured Claims. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders' of the Equipment Lenders' Secured Claims Liens and security interests.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 20: Unsecured Claims</p> <p>The Allowed Unsecured Claims are approximately \$840,000.</p>	<p>Impaired. Entitled to Vote.</p> <p>Each holder of an Allowed Class 20 General Unsecured Claim will be paid one hundred (100%) percent of their Allowed Claims, without interest. The Allowed Class 20 Claims shall be paid in fifteen (15) equal installments with the first installment to be made no later than December 31, 2010; and the next installment no later than June 20, 2011; the third installment no later than December 31, 2011; and twelve (12) subsequent equal quarterly installments in full satisfaction of these Creditors' Claims.</p> <p>Estimated Percentage Recovery: 100%</p>

<p>Class 21: Convenience Claims</p> <p>The Allowed Convenience Claims are approximately \$50,000.</p>	<p>Impaired. Entitled to Vote.</p> <p>Each holder of an Allowed Convenience Claim will be paid Cash equal to one hundred percent (100%) of the Allowed Amount of such holder’s Convenience Claim on the later of: (a) sixty (60) days after the Effective Date, or (b) the date such Convenience Claim becomes an Allowed Claim. Provided that all Creditors shall have the option to notify the Debtors of their election to reduce their claim to \$1,000.00 and be treated as holder of an Allowed Convenience Claim, within forty-five (45) days of the Effective Date.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 22: Interests</p>	<p>Unimpaired. Not Entitled to Vote.</p> <p>The holder of the Interests in the Debtors shall retain such Interests in the Debtors. The holder of Interests, the member of Fundamental, shall not receive any dividends, loans or other distributions based upon his membership interest in Fundamental until all Allowed Claims have been satisfied in full. Provided further that if there are any adverse tax consequences resulting from the “pass through” tax attributes of the limited liability company under federal tax laws, then the Debtors shall reimburse the sole member to the extent of any such tax liability resulting from the Interest upon the filing of a tax return by the member.</p> <p>Estimated Percentage Recovery: 100%</p>

B. DETERMINATION AND ALLOWANCE OF CAPITALIZED CLAIMS

Section 4.4 of the Plan provides that within ten (10) days of the filing of the Notice of the Effective Date in accordance with Article 11.2 of the Plan, the Secured Creditors shall submit to the Debtors’ attorneys and the Chief Restructuring Officer, their respective calculations concerning their Capitalized Claims to include an itemization of the outstanding principal amount, interest accrued through the Effective Date and allowable attorneys’ fees and expenses.

If a Secured Creditor fails to provide such timely calculation and itemization to the Debtors’ attorney and Chief Restructuring Officer, then such Secured Creditor shall be limited to the amount of the Claim set forth in its Proof of Claim filed prior to the Claim Bar Date as set forth in the *Order Establishing Proof of Claim Bar Date and Approving the Bar Date Notice* [P-219]. Provided that, if such Secured Creditor did not timely file a Proof of Claim, then its Claim shall be limited to the amount set forth in the Bankruptcy Schedules filed by the Debtors.

If the Debtors dispute the amount of either the submitted Capitalized Claims, the Proofs of Claim filed by the Secured Creditors, or the Claims scheduled by the Debtors, then the Debtors shall have twenty-five (25) days after the filing of the Notice of the Effective Date to file a motion with the Bankruptcy Court to resolve any disputes concerning the Secured Creditors' Allowed or Capitalized Claims.

The Bankruptcy Court shall retain jurisdiction to resolve any disputes concerning the allowance of any Secured Creditor's Claims and the determination of any Secured Creditor's Allowed Claim or Capitalized Claim.

III. GENERAL OVERVIEW AND BACKGROUND INFORMATION

A. BACKGROUND AND GENERAL INFORMATION

1. Debtors' Corporate Structure, History and Operations

In April 2004, Stanley Ware, the sole member and manager of Fundamental, formed Fundamental, which is a Louisiana limited liability company with its principal place of business in Gonzales, Louisiana. Fundamental is doing business as Popeyes Chicken & Biscuits and Popeyes Louisiana Kitchen restaurants, which primarily focus on the sale of fried chicken, side dishes, soft drinks and biscuits. Fundamental owns and operates thirty (30) Popeyes franchises. Of the thirty (30) operating franchises, twenty (20) are located in Louisiana, seven (7) are located in Alabama, and three (3) are located in Florida.

In December 2004, Fundamental merged with Fundamental Provisions, Inc., which owned seven (7) Popeyes locations. Then, in January 2007, Fundamental merged with Culinary Provisions, LLC, Cajun Provisions, LLC, Atchafalaya Provisions, LLC, Total Provisions, LLC, Deep South Provisions, LLC, International Provisions, LLC, and Central Provisions, LLC, which collectively owned eleven (11) Popeyes' franchises. Finally, in April 2008, Fundamental merged with Florida Provisions, LLC, which owned one (1) Popeye's location.

In December 2007, Stanley Ware purchased 100% of the outstanding stock of Pollo, an Alabama corporation, which owned 100% of the outstanding stock of Thaxco, an Alabama corporation, from E.D. Corte as Executor of the Estate of Camille H. Corte (“Corte Estate”). Contemporaneously therewith, Mr. Ware executed a promissory note in favor of the Corte Estate in the amount of \$2,200,000 and entered into a Stock Pledge Agreement. Mr. Ware additionally entered into a Credit Sale of Stock with the Corte Estate, under which he purchased all of the Pollo stock and the following store locations: 750 Government Street (Store #2044), Airport Boulevard (Store #2047), and Saraland (Store #2298).

Additionally, on or about December 27, 2007, Fundamental entered into a Cash Sale of Assets with Thaxco and Pollo, whereby Fundamental purchased all of the assets owned by Thaxco and Pollo for \$3,500,000 at the following store locations: Dauphin (Store. #2215), 1966 Government Street (Store #2122), and Highway 90 (Store #2073). The Corte Estate remains liable for the payment of the 2007 income taxes and all other taxes owed through 2007.

Pollo and Thaxco are operated as part of Fundamental under the same management and utilize the same master bank accounts, and all of their operational expenses and merchandise purchases are paid by Fundamental Provisions, LLC. In light of the above-referenced transaction, out of an abundance of caution, Pollo and Thaxco filed for chapter 11 relief. The Debtors maintain that Pollo and Thaxco have been defacto merged into Fundamental Provisions, LLC, and operate as a single business enterprise.

In addition, Fundamental purchased two (2) Popeyes locations in September 2007 from Norsco and one (1) Popeyes location in March 2009 from Langan Properties. During the past three (3) years, Fundamental has built four (4) Popeyes locations and closed two (2) locations, bringing the current operating franchise locations to thirty (30).

2. Franchise Agreements

The Debtors were parties to certain Popeyes franchise agreements (“Franchise Agreement”) as franchisee (“Franchisee”) with AFC Enterprises, Inc. (“Franchisor”) pursuant to which they were allowed to operate as Popeyes franchises. On November 23, 2009, the Franchisor sent the Debtors a Notice of Termination, terminating the Franchise Agreements due to non-payment of certain amounts due under the Franchise Agreements. After termination of the Franchise Agreements, the Debtors and Franchisor entered into a Workout Agreement (the “Agreement”) under which the Franchisor allowed the Debtors to continue to temporarily operate as Popeyes establishments in exchange for certain monetary and other consideration.

In summary, the relevant terms of the Workout Agreement were as follows:

- On November 30, 2009, in payment of the franchise fees, renewal fees, and advertisement charges, which had been computed through November 30, 2009, the Franchisee wired to the Franchisor the sum of \$291,027.38, which allowed the Franchisee to continue to operate. Subsequently, Franchisor determined that other renewal fees were due through November 30, 2009. Under the Agreement, Franchisee will pay the additional renewal fees by February 28, 2010. Furthermore, Franchisee is required to remain current on all fees due to Franchisor subsequent to November 30, 2009;
- The Franchisor issued a temporary license (“Temporary License”) to the Franchisee to operate the Franchised Restaurants as Popeye’s Chicken & Biscuits and Popeyes Louisiana Kitchen restaurants for a term beginning November 24, 2009, and expiring at midnight on the first to occur: (i) with respect to each Restaurant, the date such Franchised Restaurant is sold, if any; (ii) with respect to all Franchised Restaurants, the date the Franchisee receives written notice of the occurrence of a material breach, which breach is not cured; or (iii) August 31, 2010 (the “Termination Date”);
- If the Franchisee is in good standing, remains current on all payments, and has not received a written notice of the occurrence of a material breach during the term of the Temporary License, the Franchisor agrees to consider, in good faith, all requests by Franchisee on or before the Termination Date to issue replacement franchise agreements;
- The Franchisee established an ACH Account from which future royalty

and advertising payments owed to the Franchisor will be made; and

- The Franchisee agreed to release Franchisor and waive any claims and causes of action against Franchisor, including any claims under Chapter 5 of the Bankruptcy Code.

The Workout Agreement was approved by the Court on January 14, 2010 [P-149].

Currently, the Debtors are in negotiations with the Franchisor to enter into permanent franchise agreements for all of their stores. These negotiations are ongoing and the Debtors believe that they will have an acceptable agreement with Franchisor prior to the Confirmation Hearing.

3. Debtor's Capital Structure

The Debtors' capital structure consists chiefly of: secured debt on real property and/or restaurant equipment, restaurant equipment leases, unsecured trade obligations and tax obligations.

The Debtors are parties to multiple mortgages and promissory notes with the following secured lenders in the following principal loan amounts and secured by the following Collateral:

<u>Secured Lender</u>	<u>Mortgage Loan Principal</u>	<u>Equipment note Principal</u>	<u>Description of Claimed Collateral</u>
B&K Bank	\$2,108,151	\$150,927	2 Stores
Beach Community	\$856,554	\$71,429	1 Store
Estate of Camille Corte	\$2,200,000	\$0	3 Stores
Fidelity Bank	\$4,402,683	\$0	9 Stores plus General Lien
First National USA	\$837,958	\$0	Various Stores and Vacant Properties
Guaranty Bank	\$858,620	\$0	1 Store
Iberville Bank	\$2,122,760	\$0	2 Stores
Irwin Franchise Capital.	\$4,336,693	\$821,184	4 Stores plus 2 Properties Rented Out
Main Street Bank	\$0	\$584,887	2 Stores equipment
MC Bank	\$1,029,473	\$0	2 Stores

Norsco Management	\$3,300,000	\$0	2 Stores
Sabine Bank	\$343,253	\$0	1 Store
Source Bidco/Fidelity	\$240,199	\$0	General Lien
Dow	\$0	\$225,541	1 Store
Total	\$22,436,342	\$1,853,968	

As of the Petition Date, the Debtors estimated that their secured principal debt on real property was approximately \$22,436,342.

The Debtors owe approximately \$1,628,427 in other debt to various lessors/noteholders on restaurant equipment for the individual stores. The principal lessors/noteholders on the equipment are Irwin Franchise Capital, Main Street Bank, Beach Community, BK&K Bank and Dow Federal Credit Union. As of the Petition Date, the average monthly rent due on the equipment is approximately \$33,040.

Seven of the Debtors' restaurants are operated on real property consisting of the buildings and all leasehold improvements that are leased to the Debtors from various landlords. As of the Petition Date, the average monthly rent due under the real property leases is approximately \$32,983.

The Debtors estimate that, exclusive of the secured debt and equipment and real estate lease obligations, the general unsecured obligations as of the Petition Date were approximately \$1.5 million. Additionally, the Debtors estimated that their tax obligations upon filing were approximately \$3.0 million. On November 17, 2009, the Internal Revenue Service filed a lien in the amount of \$1,829,953.00. On January 29, 2010 the IRS filed a claim with the Court in the amount of \$2,182,777.82 inclusive of interest charges and penalties. On April 15, 2010 the IRS filed an amended claim for \$2,353,314.66. The other tax liabilities are:

Taxing Authority	Per Debtors' records as of Petition Date
Alabama Department of Revenue	\$91,721.28
Ascension Parish Sales & Use	\$123,330.00
Assumption Parish Sales & Use	12,357.00
Baton Rouge Sales Tax	\$111,171.00
City of Mobile	\$83,432.00
City of Panama City	\$3,444.00
Dothan Sales Tax	\$12,708.12
Florida Dept of Revenue	\$44,333.00
La Dept of Revenue	\$449,280.00
Lafourche Parish School Board	\$26,925.00
Lafourche Parish Sheriff's Office	\$8,404.19
Livingston Parish Sales & Use	\$137,023.84
Mobile County	\$26,369.55
Parish of East Baton Rouge	\$14,927.38
Parish of Ascension	\$14,109.33
Pointe Coupee Parish Sales & Use	\$13,987.00
St James Parish Sales & Use	\$11,348.00
St Martin Parish Sales Tax	\$28,600.00
St Martin Parish Sheriff's Office	\$24,056.21
Tangipahoa Parish School System	\$14,111.00
Tangipahoa Parish Sheriff's Office	\$3,225.34
Winn Parish Sheriff's Department	\$3,756.66

Total	\$1,258,619.90
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4. Debtors' Assets

The Debtors' assets and their values are set forth in Exhibit D-2 attached hereto. The values were determined by adjusting the most recent appraisals based on the December 2009 Case-Shiller Twenty City Index, details of which are included in the Liquidation Analysis attached hereto as Exhibit D-3.

5. Financial Results

The results of the Debtors' Financial Operations during the Chapter 11 Cases are reflected in the Monthly Operating Reports filed by the Debtors. As of December 31, 2009, the Debtors had approximately \$98,414 cash on hand.

From the Petition Date until December 31, 2009, the Debtors collected cash receipts of approximately \$1,567,989, and made approximately \$1,500,985 of disbursements, for a positive cash flow of \$67,004.

6. Historic Financial Information

A copy of the Debtors' financial records is attached in globo as Exhibit D-4.

1. Profit & Loss statement for the calendar year of 2009
2. Profit & Loss statement for January 2010
3. Balance sheet as of December 31, 2009
4. Balance sheet as of January 31, 2010

B. EVENTS LEADING TO THESE CHAPTER 11 CASES

In order to preserve their going concern value and effectuate reorganization, the Debtors filed for protection under chapter 11 of the Bankruptcy Code on December 8, 2009 (the "Petition Date").

Prior to August 2009, the Debtors' sales levels were on par or above prior year results. During August 2009, the Debtors' sales levels started to drop as much as 10% below prior year's results. Generally, restaurants in other areas of the United States have experienced similar decreases in revenue over the previous 12 – 18 months.

Historically, the Debtors had a G&A expense as high as 12% of sales, which would be considered high for a restaurant of similar size. In addition, the Debtors made real property investments in potential new locations and some real property investments outside of the core restaurant operations none of which have provided a return to the Debtors at this point in time.

The combination of the revenue declines and the high G&A and non-operating real property investments was exacerbated by an outstanding issue with the IRS fiduciary withholding taxes not being remitted. Additionally, a predecessor company of the Debtors, Fundamental Provisions, Inc, did not pay IRS withholding taxes, and on November 17, 2009, the IRS filed a lien against Fundamental Provisions, LLC, which further forced the Debtors to institute these bankruptcy cases.

C. SIGNIFICANT POST-PETITION EVENTS

On December 8, 2009, all Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. Immediately after filing the voluntary petitions, the Debtors filed a Motion for Order Under Fed.R.Bankr.P. 1015(b) Directing Joint Administration of Chapter 11 Cases [P-2]. The Court entered an order [P-18] directing consolidation of the cases for procedural purposes and joint administration.

1. First Day Motions

On December 8, 2009, the Debtors filed the following "first day" motions and pleadings:

- (a) Application by the Debtor for Entry of an Order Authorizing the Employment and Retention of Barry W. Miller and the Law Firm of Heller, Draper,

Hayden, Patrick & Horn, L.L.C., as Counsel to the Debtor Pursuant to Section 327(a) [P-4];

(b) Application for Entry of an Order Authorizing the Employment and Retention of MorrisAnderson & Associates, Ltd. to Perform Restructuring Management Services for the Debtor and of David M. Bagley as Chief Restructuring Officer of the Debtor Pursuant to Bankruptcy Code Section 328 [P-5];

(c) Motion to Limit Notice [P-6];

(d) Debtors' Emergency Motion for Entry of Order Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001 for Interim and Final Orders: (1) Authorizing Use of Cash Collateral; (2) Granting Adequate Protection; (3) Scheduling and Approving the Form and Method of Notice of Final Order; and (4) for Related Relief [P-7];

(e) Application for Authority to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Business [P-8];

(f) Motion for Administrative Order Under Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals [P-9];

(g) Motion of the Debtors Pursuant to Rule 1007(c) of the Federal Rules of Bankruptcy Procedure for an Extension of Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs [P-10];

(h) Motion for Authority to Pay Employees' Prepetition Wages, Related Expenses, Benefits and Taxes [P-11];

(i) Motion for Interim and Final Orders: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein [P-12];

(j) Motion for Order Under 11 U.S.C. §§ 105(a) and 503(b)(9) Establishing Procedure for Treatment of § 503(b)(9) Claims [P-14];

(k) Motion of Debtors for Entry of an Order Authorizing Debtors to Honor Certain Prepetition Obligations to Customers and to Otherwise Continue Customer Programs in the Ordinary Course of Business [P-15].

2. Post Petition Disbursements and Payments

As of February 7, 2010, the Debtors have paid \$3,184,041.80 in normal operating costs and expenses, including post-petition taxes, authorized fees and expenses. As of February 7, 2010, the Debtors have approximately \$276,997.25 in unpaid post petition expenses, which includes \$86,997.25 in post-petition trade payables and \$100,000 in post petition sales taxes, which will be paid in the ordinary course of business. Upon the Application of the law firm of Heller Draper, the Debtors' attorneys, the Debtors have paid the law firm the sum of approximately \$112,000 for legal fees and reimbursement of costs and expenses of approximately \$3,500. The law firm has a second fee application pending requesting legal fees in the amount of \$47,744.50 and reimbursement of costs and expenses in the amount of \$1,585.44. The Debtors have also paid approximately \$4,515 in legal fees to Todd Caruso, LLC, the Debtors' special counsel. Debtors projected unpaid Administrative Expense Claims as of the Effective Date will be approximately \$280,000, including ordinary course of business expenses, professional fees and administrative expenses.

3. Employment of Professionals of Debtors

On December 8, 2009, the Bankruptcy Court entered an interim order approving the employment of Heller, Draper, Hayden, Patrick & Horn, L.L.C. ("Heller Draper") [P-19] as bankruptcy counsel for the Debtors. On December 11, 2009, the Bankruptcy Court entered an interim order approving the employment of MorrisAnderson & Associates, Ltd. ("MorrisAnderson") [P-51] to provide restructuring management services to the Debtors, and of David M. Bagley, as Chief Restructuring Officer to the Debtors. On January 14, 2010, the Court entered final orders authorizing the employment of Heller Draper [P-147] and MorrisAnderson [P-148].

On January 6, 2010, the Debtors filed an *Ex Parte Application of Debtors and Debtors in Possession for Order Authorizing Employment and Retention of Todd Caruso, Attorney at Law, LLC as Special Counsel for Debtor Pursuant to 11 U.S.C. §§ 327(e) and 329* (“Caruso Application”) [P-124], seeking the Court’s authority to retain Todd Caruso as its special counsel in connection with labor disputes and related litigation. On January 7, 2010, the Court entered an order granting the Caruso Application *nunc pro tunc* to the Petition Date [P-129].

On January 19, 2010, the Debtors filed an *ExParte Application Pursuant to Fed.R.Bankr.P. 2014(a) for Order Under Section 327(a) of the Bankruptcy Code Authorizing the Employment and Bankruptcy Retention of Don H. Strobel as Expert for the Debtors* (“Strobel Application”) [P-167], seeking the Court’s authority to retain Don Strobel as the Debtors’ expert in connection with labor disputes and related litigation. On the same day, the Court granted the Strobel Application [P-169] *nunc pro tunc* as of Petition Date. The employment of Don Strobel and Todd Caruso involved a lawsuit entitled, “U. S. Dept. of Labor v. Fundamental Provisions, LLC, et al,” Case No. 09-05843, U. S. District Court for the Eastern District of Louisiana.

On January 4, 2010, the Debtors filed an *Ex Parte Application Pursuant to Fed.R.Bankr.P. 2014(a) for Order Under Section 327(a) of the Bankruptcy Code Authorizing the Employment and Retention of David Wascom and the Firm of Hannis T. Bourgeois, LLP as Accountant for Debtors*, (“the Wascom Application), [P-115] seeking the Court’s authority to retain David Wascom and the firm of Hannis T. Bourgeois as the accountants for the Debtors in Possession. On February 9, 2010, the Court entered an order granting the Wascom Application. [P-204].

4. Operational First Day Orders

On December 9, 2009 and December 18, 2009, the Bankruptcy Court held hearings on the first day motions and pleadings. After the hearing, the Bankruptcy Court entered the following first day orders which enabled the Debtors to continue their operations on an uninterrupted basis:

(a) Interim and Proposed Final Order, Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein (“Utility Order”) [P-50];

(b) Order Granting Motion for Authority to Pay Employees’ Pre-Petition Wages, Related Expenses, Benefits and Taxes [P-52];

The Utility Order initially entered by the Bankruptcy Court was an interim order [P-50]. The Court held a final hearing on the Utility Motion on January 8, 2010, and, after that hearing, entered the following final order:

(a) Final Order, Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein [P-143].

Since entry of the order, the Debtors have negotiated additional deposits with various utility providers in accordance with 11 U.S.C. § 366 and the order of the Bankruptcy Court. In accordance with the provisions and procedures established by the final order, the Debtors have paid additional utility deposits of \$87,855.44 to various utility providers.

5. Other First Day Orders

In addition to the operational first day orders referenced above, the Bankruptcy Court also entered the following orders:

(a) Order Pursuant to Bankruptcy Rule 1007(c) of the Federal Rules of Bankruptcy Procedure Granting Extension of Time to File Schedules of Assets and Liabilities, Schedule of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs [P-33];

(b) Order Granting Motion to Limit Notice [P-48];

(c) Order Establishing Procedure for Treatment of Claims under 11 U.S.C. §503(b)(9) [P-62]

(d) Order Granting in Part and Denying in Part Motion for Administrative Order Relating to Compensation and Reimbursement of Expenses for Professionals [P-84];

(e) Order Withdrawing Application for Authority to Employ and Compensate Professionals in the Ordinary Course of Business [P-87].

6. Cash Collateral Orders

After an interim hearing on December 9, 2009, on December 11, 2009, the Bankruptcy Court entered an interim order [P-49] on the Debtors' Emergency Motion for Entry of Order Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001 for Interim and Final Orders: (1) Authorizing Use of Cash Collateral; (2) Granting Adequate Protection; (3) Scheduling and Approving the Form and Method of Notice for Final Order; and (4) for Related Relief [P-7] ("Cash Collateral Motion"). As a result of this order, the Debtors were allowed to use their ongoing credit card deposits to pay their operating and administrative expenses (as detailed in a budget) on an interim basis until a final hearing could be held on the Cash Collateral Motion.

The final hearing on the Cash Collateral Motion was held on January 8, 2010. After the hearing, the Bankruptcy Court entered its Final Order on Emergency Motion for Entry of Order Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001: (1) Authorizing Use of Cash Collateral; (2) Granting Adequate Protection Liens; (3) Scheduling and

Approving the Form and Method of Notice for a Final Order; and (4) For Related Relief [P-146] (the “Final Cash Collateral Order”).

7. Other Post Petition Events

a. Motion to Enter into Lease

On January 14, 2010, the Debtors filed *Motion to Enter Lease* (the “Lease Motion”) [P-150], seeking authority to enter into a new lease agreement with Northside, Ltd. concerning the store located at 3280 Dauphin Street, Mobile, Alabama. The previous lease had been terminated prior to the Petition Date; however, the Debtors remained in possession of the premises and continued to operate the store. On March 3, 2010, the Bankruptcy Court granted the Lease Motion [P-270].

b. Motions to Sell

On March 19, 2010, the Debtors filed a *Motion for Order Authorizing the Sale of Winnfield Property Pursuant to Bankruptcy Code Section 363* [P-303], seeking authority to sell certain real property located in Winnfield, Louisiana to Sabine Bank in exchange for a complete and full release and satisfaction of all indebtedness owed to Sabine Bank.

On March 19, 2010, the Debtors filed an *Amended Motion for Order Authorizing the Sale of Winnfield Property Pursuant to Bankruptcy Code Section 363* [P-309], seeking authority to sell certain real property located in Winnfield, Louisiana, free and clear of all liens, claims, encumbrances and other interest, to Sabine Bank in exchange for a complete and full release and satisfaction of all indebtedness the Debtors owe Sabine Bank. A hearing on the motion was held on April 9, 2010. No objections to the sale were filed and the court approved the Motion.

On March 19, 2010, the Debtors filed an *Amended Motion for Order Authorizing the Sale of Certain Port Vincent Property Pursuant to Bankruptcy Code Section 363* [P-307], seeking

authority to sell certain real property located in Port Vincent, Louisiana, free and clear of all liens, claims, encumbrances and other interest, to Darryl Zachary for a total purchase price of \$38,994.00. A hearing on the motion was held on April 9, 2010 and the Court approved the Motion.

8. Bar Date for Filing Proofs of Claim

On February 17, 2010, the Debtors filed an *Ex Parte Motion of Debtors for an Order (A) Establishing Bar Date for Filing of Proof of Claims, (B) Approving the Bar Date Notice, (C) Authorizing the Debtors to Provide Notice of the Bar Date, and (D) Determining that the Debtors' Publication of the Bar Date Notice Satisfies Due Process and Comports with All Other Requirements of Law*, [P-218]. The Bankruptcy Court entered an order [P-219] on February 17, 2010 establishing April 7, 2010 at 4:30 PM Central Daylight Time as the Bar Date for filing proofs of claims for persons or entities; and establishing June 7, 2010 at 4:30 PM Central Daylight Time as the Governmental Bar Date for filing proofs of claims for governmental units. The debtors are reviewing the Proof of Claims filed to determine if there will be any objections to the claims filed.

9. Monthly Operating Reports, Schedules, Statement of Financial Affairs, Meeting of Creditors

In compliance with the Trustee Guidelines, on January 15, 2010, the Debtors filed their first monthly operating report.

On January 4, 2010, in compliance with the Bankruptcy Court's order [P-33], the Debtors filed their schedules and statements of financial affairs for all of the Debtors. On January 8, 2010, the initial meeting of creditors pursuant to Section 341 was held in Baton Rouge, Louisiana.

10. Exclusivity Period

Upon filing a Chapter 11 bankruptcy case, a Debtor has the exclusive right to file a plan of reorganization for 120 days and, if it does so, the exclusive right to try to confirm the plan for an additional 60 days thereafter. The Debtors' initial exclusive period to file a plan of reorganization ended on April 7, 2010.

11. Financial Results

The results of the Debtors' financial operations during the Chapter 11 Cases are reflected in the Monthly Operating Reports filed by the Debtors. As of December 31, 2009, the Debtors had approximately \$98,414 cash on hand.

From the Petition Date until December 31, 2009, the Debtors collected cash receipts of approximately \$1,567,989, and made approximately \$1,500,985 of disbursements, for a positive cash flow of \$67,004.

12. Historic Financial Information

Attached hereto in globo as Exhibit D-4 are income and expense statements for the year 2009 and 2010 YTD, and a balance sheet for the most recent month prior to the date this Disclosure Statement.

IV. THE PLAN

A. BUSINESS MODEL UNDER THE PLAN

Attached as Exhibit D-5 to this Disclosure Statement, entitled, "Key Plan of Reorganization Assumptions," is information reflecting the Reorganized Debtors' projected cash flow from business operations under the Plan. In preparing the Key Plan of Reorganization Assumptions, the Debtors reviewed data and factors which included, but were not limited to, the following:

1. Revenue – the Debtors utilized historical monthly results on a store by store basis going as far back as January 2008 and full year 2007 to develop detailed monthly projections by store for 2010 and detailed quarterly projections by store for the periods 2011 to 2014.

2. Annual revenue growth – The Debtors based 2010 monthly sales on the year over year comparison for the period October 2009 to December 2009 versus the same period in 2008. The resultant year over year change was then applied monthly for 2010. The 2010 projection calls for a reduction in revenues of 5%. The Debtors used modest revenue growth factors for the period 2011-2014. For the periods 2011-2014 annual growth assumptions were made and applied on a store by store basis. The growth rates assumed for the projection period are:

2010 negative 5%

2011 positive 2.5%

2012 & 2013 positive 1%

2014 positive 2%

3. Cost of sales, labor and store operating expenses – the Debtors utilized historical monthly results on a store by store basis going as far back as January 2008 and full year 2007 to develop detailed monthly projections by store for 2010 and detailed quarterly projections by store for the periods 2011 to 2014. The percentages of cost of sales, labor and store operating expenses were held constant during the period.

4. Store selling expenses – the Debtors utilized the current percentage of sales factors for the franchise royalty fees and advertising fund expenses as per the various agreements with AFC Enterprises, the franchisor of the Popeye’s franchise agreements that the Debtors operate under.

5. Other operating expenses – the Debtors increased the mostly fixed other operating expenses by 3% annually to adjust for inflationary pressures on costs during the 2011-2014 period.

6. G&A expenses – the Debtors have already decreased the G&A expenses from historically high levels. The projection calls for a 7% G&A expense which compares favorably to the 12% historical level. The Debtors have already made these cost cuts so the projection should be achievable long term. From 2010 to 2011 there is a large reduction in the annual expense mainly due to the cost of the bankruptcy proceedings during 2010.

7. Additional cash infusion/refinancing – the Debtors’ projections anticipate \$600,000 of cash infusion to provide funds to allow for payments to be made to

the creditors as part of the plan. The Debtors are seeking \$1.2 million from certain key vendors as part of a contractual agreement to allow for additional working capital to provide adequate cushion to facilitate the efficient operation of the company. Initial discussions are underway. The Debtors' plan anticipates a refinancing of the debt outstanding at the end of 2014. The Debtors believe that by 2014 if the credit markets return to balance and credit is available on reasonable terms that the Debtors will be refinanced and the final payments on the plan of reorganization would be made.

8. Further details on key assumptions are noted in the details provided in Exhibit D – 5.

With respect to the \$1.2 million capital infusion, Fundamental Provisions LLC has been approached by one of its key vendors with a proposal to provide working capital in exchange for signing a longer term contract. The working capital would be a partial pre-payment of rebates and refunds projected to be earned throughout the life of the contract. While the Debtors are currently in negotiations with the vendor, the Debtors believe the \$1.2 million offer is valid.

Since the \$1.2 million would be in exchange for a long term contract the funds would be an unsecured liability paid down as the rebates or refunds are earned on an annual basis. If the contract were to be breached during the effective period of the contract, the vendor would have an unsecured claim

B. VALUATION OF DEBTORS' ASSETS

The estimate of the range of reorganization value of the Reorganized Debtors is based on a number of assumptions, including, among others, full reinstatement of the Franchise Agreements, confirmation of the Plan on the assumed Effective Date, the achievement of the forecasts reflected in the Financial Projections, and the Plan becoming effective in accordance with the terms and assumptions discussed herein.

The Debtors' assets and their value are set forth in Exhibits D-2 and D-3, attached hereto. The values were determined by adjusting the most recent appraisals based on the December 2009

Case-Shiller Twenty City Index, details of which are provided in the attached exhibits referenced above.

The S&P/Case-Shiller Home Price Indices measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. Case-Shiller is part of Standard & Poor's group of informational indices developed to measure key elements of the US economy.

The 20-City composite index incorporates data on housing prices across these cities: Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, Washington DC, Atlanta, Charlotte, Cleveland, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle and Tampa. The basic methodology matches up sales of the same property over time. The indices track sales as far back as 1987. Various Case-Shiller indices and updates are quoted by financial publications and news organizations on a regular basis.

In valuing properties for Fundamental Provisions, the Debtors adjusted older appraisals based on the 20-City composite index using the following method:

1. The current 20-City composite index value was identified and used as the denominator in an adjustment ratio
2. The year in which the most recent appraisal was performed was used as the base year
3. From the 20-City composite index, the base year index value was identified
4. The base year index value was used as the numerator in the adjustment ratio
5. The adjustment ratio was the base year index value over the current index value
6. The adjustment ratio was then multiplied by the most recent appraisal value to adjust the appraisal value to an estimated current appraisal value

For example:

The current (December 2009) 20-City composite index value was 148.

The most recent appraisal on the Burbank property was January 2006.

The base year (2006) value of the 20-City composite index was 202.

The most recent appraisal value was \$1,690,000.

The adjustment ratio is the current index value 148 divided by the base year index value 202 = $148/202 = 73.3\%$.

The appraisal value multiplied by the adjustment ratio yields an estimated current appraised value of \$1,238,218.

The Debtors then reduced the value by 10% consisting of 5% for sales commissions and 5% for a limited selling process due to a liquidation resulting in a final value of \$1,114,396.

C. IMPLEMENTATION OF THE PLAN

1. General Provision

Upon confirmation of the Plan, the Debtors shall be authorized to take all necessary steps and perform all necessary acts to consummate the terms and conditions of the Plan including, without limitation, the execution and filing of all documents required or contemplated by the Plan. In connection with the occurrence of the Effective Date, the Reorganized Debtors are authorized to execute, deliver, and/or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

2. Redemption of Property Sold, Assigned or Transferred at Tax Sale.

Section 3.2 of the Plan provides that the Debtors shall be authorized to pay any Claims of any Claimants in the property tax class, Class 2, in full in order to preserve and protect their rights and interests in such property and in order to redeem, repurchase or reclaim any property, sold, assigned or transferred as a result of their failure to pay any ad valorem property taxes, in accordance with applicable law prior to the expiration date of any such redemption, reclamation

or repurchase period. Attached hereto as Exhibit D- 6, is a schedule of the property subject to this provision and the costs of redemption.

3. Status of Existing Liens of Priority Tax Claims, Property Tax Claims, Property Lenders' Secured Claims, Equipment and Property Lenders' Secured Claims, and Equipment Lenders' Secured Claims

Section 8.3. of the Plan provides that, unless otherwise provided in the Plan, on the Effective Date, all existing Liens held by holders of Priority Tax Claims, Property Tax Claims, Property Lenders' Secured Claims, Equipment and Property Lenders' Secured Claims, and Equipment Lenders' Secured Claims on the Debtors' Assets shall retain the same ranking, validity, priority and extent that existed on the Petition Date. Section 552 of the Bankruptcy Code shall not apply to limit any of the holders of Secured Claims' liens and security interests. All other Liens and encumbrances shall be deemed automatically canceled, terminated and of no further force or effect without further act or action under any applicable agreement, law, regulation, order, or rule.

Notwithstanding any other provisions in the Plan, if a creditor has a prepetition Lien on Collateral that attaches to subsequently acquired property, such as inventory, equipment, furniture, fixtures, or other generally described collateral, then such creditor's Lien shall continue to attach to the such after-acquired or subsequently-acquired property to the extent permitted by applicable non-bankruptcy law.

4. Officers, Managers and Directors of the Reorganized Debtors

Section 8.7 of the Plan provides that, subsequent to confirmation of the Plan, and for the time periods set forth in the Plan, up to three (3) years after the Effective Date, David M. Bagley (or such other person or Entity appointed by the Bankruptcy Court) shall serve as the Chief Restructuring Officer of the Reorganized Debtors and shall retain all of the same duties, rights and obligations as set forth in the *Final Order Authorizing the Employment and Retention of*

MorrisAnderson & Associates, Ltd. and David Bagley as Chief Restructuring Officer [P-148].

All distributions under the Plan must be authorized by David M. Bagley and/or MorrisAnderson & Associates, Ltd. (or such other person or Entity appointed by the Bankruptcy Court). Provided that, if there is no longer a restructuring officer, then all distributions shall be made with the authority of the managing member(s) of Fundamental. Mr. Bagley may terminate his position voluntarily or be removed upon motion of a party in interest for just cause as may be determined in the discretion of the Bankruptcy Court.

5. Reduction in Insurance Expenses

Prior to the filing of the petition, the Debtors paid approximately \$450,000 in insurance premiums for “key man” insurance on the life of Stanley Ware. The proceeds of the policies were pledged and assigned to various creditors of the Debtors. The Debtors have or will discontinue the payment of these insurance premiums. The budgets attached hereto by the Debtors reflect the discontinuance of the payment of these insurance premiums. The cash value of the policies will be paid to the secured creditors as set forth in Exhibit D-8.

6. Distributions Under the Plan

Distributions under the Plan are governed by Article 7 of the Plan.

a. Record Date for Voting on Plan

Section 7.2 of the Plan provides that the transfer registers for each of the Classes of Claims and Interests as maintained by the Debtors or any third party, including the voting agent, shall be deemed closed on the date of entry of an order of the Bankruptcy Court approving the Disclosure Statement (or, with respect to any Class, any later date to which the Debtors agree) for purposes of voting on the Plan, and there shall be no further changes to reflect any new record holders of any Claims or Interests for purposes of voting on the Plan.

b. Delivery of Distributions

Section 7.3 of the Plan provides that, except as otherwise provided in the Plan, distributions to a holder of an Allowed Claim or Allowed Interest shall be made at the address of such holder as indicated on the Debtors' records. In the event that any such distribution is returned as undeliverable, the Reorganized Debtors shall use reasonable efforts to determine the current address of the applicable holder, and no distribution to such holder shall be made unless and until the Reorganized Debtors have determined such then current address, *provided, however,* that if any distribution remains unclaimed after the first anniversary after distribution, such distribution shall be deemed unclaimed property pursuant to Section 347(b) of the Bankruptcy Code and shall become vested in the Reorganized Debtors. In such event, the Claim of the holder for such distribution shall no longer be deemed to be Allowed, and such holder shall be deemed to have waived its rights to such distribution under the Plan pursuant to Section 1143 of the Bankruptcy Code, shall have no further claim or right thereto, and shall not participate in any further distributions under the Plan with respect to such Claim. Checks issued by the Reorganized Debtors in respect of Allowed Claims shall be null and void if not negotiated within one hundred and twenty (120) days after the date of issuance thereof.

c. Manner of Payment Under the Plan

Section 7.5 of the Plan provides that, at the option of the Reorganized Debtors, any payment in Cash to be made under the Plan may be made by check or wire transfer from a domestic bank or as otherwise required by applicable agreement.

d. No Fractional Distributions

Section 7.6 of the Plan provides that no fractional dollars shall be distributed under the Plan. For purposes of distributions, Cash distributions shall be rounded up or down, as applicable, to the nearest whole dollar.

e. Withholding and Reporting

Section 7.7 of the Plan provides that the Reorganized Debtors shall comply with all applicable withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions shall be subject to such withholding and reporting requirements.

f. Disputed Claims Reserve.

Section 7.8 of the Plan provides that on the Effective Date, the Reorganized Debtors shall establish a Disputed Claims Reserve account to pay any Disputed Claims in the event such Claims become Allowed or a portion of such Claims become Allowed, after a Final Order. The Debtors shall deposit into this account an amount equal to the disbursement that such Claimant would be entitled to or would receive if its Claim were Allowed in full. If such Claimant's Disputed Claim is disallowed in its entirety, then all funds maintained in the Disputed Claims Reserve on account of such Disputed Claim shall immediately be transferred to the account of the Debtors and the Debtors shall cease making any further distributions to the Disputed Claims Reserve on account of the Disputed Claim. If such Claimant's Disputed Claim is allowed in its entirety, then all funds maintained in the Disputed Claims Reserve for the benefit of this Disputed Claim shall immediately be turned over to the Claimant. If a Disputed Claim is only partially Allowed, then the Claimant shall receive immediate disbursement equal to the amount that this Claimant would have received based upon the portion of the Claim that was Allowed.

The Debtors shall then commence making direct payments to the Claimant in such amount equal to the amount that the Claimant is entitled to pursuant to the confirmed Plan.

7. Objections to Claims and Interests; Prosecution of Disputed Claims and Interests

Section 9.1 of the Plan provides that the Debtors and, after the Effective Date, the Reorganized Debtors, shall have the exclusive right to object to the allowance, amount or classification of Claims and Interests asserted in the Chapter 11 Cases, and such objections may be litigated to Final Order by the Debtors or Reorganized Debtors, as applicable, or compromised and settled in accordance with the business judgment of the Debtors or Reorganized Debtors, as applicable, without further order of the Bankruptcy Court. Unless otherwise provided herein or ordered by the Bankruptcy Court, all objections to Claims and Interests shall be Filed no later than one hundred and twenty (120) days after the Effective Date, subject to any extensions granted pursuant to a further order of the Bankruptcy Court, which extensions may be obtained by the Reorganized Debtors without notice upon *ex parte* motion.

8. Estimation of Disputed Claims and Interests

Section 9.2 of the Plan provides that the Debtors and, after the Effective Date, the Reorganized Debtors may at any time request that the Bankruptcy Court estimate for all purposes, including distribution under the Plan and including payments to the Disputed Claims Reserve, any Disputed, contingent or unliquidated Claim or Interest pursuant to Section 502(c) of the Bankruptcy Code whether or not the Debtors or the Reorganized Debtors have previously objected to such Claim or Interest. The Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest at any time, including, without limitation, during the pendency of an appeal relating to such objection.

9. No Distributions on Account of Disputed, Contingent or Unliquidated Claims and Interests

Section 9.3 of the Plan provides that, notwithstanding anything else contained in the Plan, except with respect to any undisputed, non-contingent and liquidated portion of General Unsecured Claims, no distribution shall be due or made with respect to all or any portion of any Disputed, contingent, or unliquidated Claim until the Claim becomes an Allowed Claim by Final Order. The Reorganized Debtors shall set aside or reserve a portion of the consideration payable to the holders of Allowed Claims and Allowed Interests in a particular Class to be held in the Disputed Claims Reserve for such Class in an amount sufficient to pay to the holders of all Disputed Claims in such Class the full distributions they are entitled to if their respective Claims are ultimately allowed in full by a Final Order.

D. CONDITIONS TO OCCURRENCE OF EFFECTIVE DATE, DATE OF PLAN AND NOTICE OF EFFECTIVE DATE

1. Conditions to Occurrence of the Effective Date of Plan

As provided in Section 11.1 of the Plan, the “Effective Date of the Plan,” as used in Section 1129 of the Bankruptcy Code, shall not occur until the following conditions shall have been satisfied (or shall be satisfied contemporaneously with or immediately upon the occurrence of the Effective Date) or waived by the Debtors:

(a) The Confirmation Order shall have become a Final Order; *provided, however,* that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtors, unless the effectiveness of the Confirmation Order has been stayed or vacated.

(b) The Debtors and Franchisor shall have executed and entered into an agreement either re-instating the prepetition franchise agreements concerning the various stores owned by the Debtors or entered into new agreements authorizing the Debtors to operate its stores as “Popeye’s” on terms acceptable to the Debtors and the Franchisor.

(c) The Confirmation Order shall have been entered.

(d) The Confirmation Order shall be unstayed and shall have become a Final Order.

(e) The Plan and all documents to implement this Plan and the transactions contemplated herein shall be in form and substance satisfactory to the Proponents.

(f) All Professional charges due to or incurred by Professionals through the Effective Date not previously paid pursuant to interim and final orders shall have been paid into and shall be held in escrow, free and clear of liens, claims and encumbrances of Claimants and holders of Interests (other than the rights of Professionals), until due and payable in accordance with applicable Bankruptcy Court order.

(g) All payments of Cash due under the Plan on the Effective Date shall have been made.

2. Filing Notice of the Effective Date

As provided in Section 11.2 of the Plan, within two (2) Business Days of the occurrence of the Effective Date, the Reorganized Debtors shall file a notice of occurrence of the Effective Date signed by the counsel for the Debtors in Possession and, if different, counsel to the Reorganized Debtors in the record of the Bankruptcy Court reflecting (a) that the foregoing conditions to the occurrence of the Effective Date have been satisfied or waived by the Debtors and any other person whose consent or waiver is required, (b) the date of the Effective Date, and (c) acknowledging that the Effective Date has occurred on and as of such date.

3. Revocation or Withdrawal of Plan

As provided in Section 11.3 of the Plan, the Debtors may revoke or withdraw the Plan prior to the Confirmation Date by filing a Notice of Withdrawal of Plan in the record of the Chapter 11 Cases prior to the Effective Date, in which case the Plan shall be deemed withdrawn and the Confirmation Order (if any has been entered) shall be automatically revoked without the need for any action by any party in interest or the Bankruptcy Court. In such event, the Modified Plan and the Confirmation Order shall be of no further force or effect and, the Debtors and all holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately

preceding the filing of the Plan, and all the Debtors' respective obligations with respect to the Claims and Interests shall remain unchanged, all of the Debtors' rights and claims against all Entities shall be fully preserved and nothing contained herein or in the Disclosure Statement shall be deemed to constitute an admission or statement against interest or to constitute a waiver or release of any Claims by or against the Debtors or any other persons or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors or any other persons.

E. EFFECT OF CONFIRMATION OF PLAN

1. Vesting of Assets and Retained Causes of Action.

As provided in Section 10.1 of the Plan, except as otherwise provided in the Plan, on the Effective Date, pursuant to Section 1141(b) of the Bankruptcy Code, all Assets of the Debtors in Possession and their respective Estates shall vest in the Reorganized Debtors free and clear of any and all Claims, Liens, Interests, and other interests, charges and encumbrances, except as otherwise expressly provided in the Plan or in the Confirmation Order. From and after the Effective Date, the Reorganized Debtors may operate their businesses and may own, use, acquire and dispose of Assets free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if the Chapter 11 Cases had never been filed. The Debtors will not pursue any Avoidance Claims for affirmative recoveries or assert Avoidance Claims against the holders of General Unsecured Claims with respect to such General Unsecured Claims, but reserve all such Avoidance Claims for defensive purposes and may assert Avoidance Claims as defenses against other Claims filed against any of the Debtors.

Except as otherwise specifically provided in the Plan, the Reorganized Debtors shall retain all rights and are authorized to commence and pursue, as the Reorganized Debtors deem

appropriate, any and all claims and Causes of Action, whether arising before or after the Petition Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in one or more of the Chapter 11 Cases, and including but not limited to, the claims and Causes of Action specified in the Plan or any Plan exhibit. Due to the size and scope of the Debtors' business operations and the multitude of business transactions therein, there may be other claims and Causes of Action that currently exist or may subsequently arise, all of which other claims and Causes of Action shall revert in the Reorganized Debtors. The Reorganized Debtors do not intend, and it should not be assumed that because any existing or potential claims or Causes of Action have not yet been pursued by the Debtors, that any such claims or Causes of Action have been waived or will not be pursued. Under the Plan, the Reorganized Debtors retain all rights to pursue any and all claims and Causes of Action to the extent the Reorganized Debtors deem appropriate (under any theory of law or equity, including, without limitation, the Bankruptcy Code and any applicable local, state or federal law, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Chapter 11 Cases) except as otherwise specifically provided in the Plan.

2. Binding Effect

As provided in Section 10.2 of the Plan, subject to the occurrence of the Effective Date on or before the deadline set forth in Section 11.1 of the Plan, on and after the occurrence of the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against or an Interest in any of the Debtors and such holder's successors and assigns, whether or not such holder's Claim or Interest is Impaired under the Plan, whether or not such holder has accepted the Plan, and whether or not such holder is entitled to a distribution under the Plan.

3. Discharge of the Debtors

As provided for under Section 10.3 of the Plan, except as otherwise specifically provided in the Plan or in the Confirmation Order, the rights afforded in the Plan and the treatment of the Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims against the Debtors, the Debtors in Possession, the Reorganized Debtors or the Assets, properties, or property of the Debtors, the Debtors in Possession or the Reorganized Debtors of any nature whatsoever, including any interest accrued on any Claim from and after the Petition Date. Except as expressly otherwise provided herein or in the Confirmation Order, on the Effective Date, all Claims arising before the Effective Date (including those arising under Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code) against the Debtors and the Debtors in Possession (including any based on acts or omissions that constituted or may have constituted ordinary or gross negligence or reckless, willful, or wanton misconduct of any of the Debtors, or any conduct for which any of the Debtors may be deemed to have strict liability under any applicable law), and all Interests shall be irrevocably satisfied, discharged, cancelled and released in full.

For the avoidance of doubt, the Reorganized Debtors shall be responsible only for (a) those payments and Distributions expressly provided for or due under the Plan and (b) Claims and Interests that are not canceled and discharged pursuant to specific and express provisions of the Plan, and then only to the extent and in the manner specifically and expressly provided in the Plan. All Entities are precluded and forever barred from asserting against the Debtors, the Debtors in Possession or the Reorganized Debtors, or the Assets, properties, or property of the Debtors, the Debtors in Possession or the Reorganized Debtors of any nature whatsoever any Claims or Interests based upon any act or omission, transaction, or other activity, event, or

occurrence of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date, except for (a) those payments and distributions expressly due under the Plan and (b) Claims and Interests, if any, that are not canceled and discharged under the Plan, but instead survive pursuant to specific and express provisions of the Plan, and then only to the extent and in manner specifically and expressly provided in the Plan.

4. Indemnification Obligations

As provided in Section 10.4 of the Plan, subject to the occurrence of the Effective Date on or before the deadline set forth in Section 11.1 of the Plan, the obligations of the Debtors to indemnify, reimburse or limit liability of any person who is serving or has served as one of its directors, officers, employees or agents by reason of such person's prior or current service in such capacity as provided in the applicable articles of organization, operating agreements, partnership agreements, or bylaws, by statutory law or by written agreement, policies or procedures of or with the Debtors, shall be deemed to be and treated as executory contracts that are assumed by the Debtors and assigned to the Reorganized Debtors pursuant to the Plan and section 365 of the Bankruptcy Code and shall not be affected by or discharged by the Plan. Nothing in the Plan shall be deemed to affect any rights of any director or officer or any other person against any insurer with respect to any directors or officers liability insurance policies.

5. Terms of Certain Injunction

As provided under Section 10.5 of the Plan, unless otherwise provided in the Plan or in the Confirmation Order, all of the injunctions and/or stays provided for in, or in connection with, the Chapter 11 Cases, whether pursuant to Section 105, Section 362, or any other provision of the Bankruptcy Code or other applicable law, in existence on the Confirmation Date, shall

remain in full force and effect through the Effective Date and thereafter if so provided by the Plan, the Confirmation Order, or by their own terms. In addition, on and after the Confirmation Date, the Debtors may seek such further orders as they may deem necessary or appropriate to preserve the *status quo* during the time between the Confirmation Date and the Effective Date.

6. No Successor Liability

As provided under Section 10.6 of the Plan, except as otherwise specifically provided in the Plan or the Confirmation Order, neither the Debtors nor the Reorganized Debtors will have any responsibilities, pursuant to the Plan or otherwise, for any liabilities or obligations of the Debtors or any of the Debtors' past or present subsidiaries relating to or arising out of the operations of or assets of the Debtors or any of the Debtors' past or present subsidiaries, whether arising prior to, or resulting from actions, events, or circumstances occurring or existing at any time prior to the Effective Date. The Reorganized Debtors shall have no successor or transferee liability of any kind or character, for any Claims; *provided, however*, that the Reorganized Debtors shall have the obligations for the payments specifically and expressly provided, and solely in the manner stated, in the Plan.

7. Preservation of All Causes of Action Not Expressly Settled or Released

Section 10.7 of the Plan provides that, for the avoidance of doubt, and without limiting or restricting any other provisions of the Plan, including but not limited to Section 10.1 "Vesting of Assets and Retained Causes of Action," unless a claim or Cause of Action against a Creditor or other Entity is expressly and specifically waived, relinquished, released, compromised or settled in the Plan or any Final Order, the Reorganized Debtors expressly reserve such claim or Cause of Action for adjudication or pursuit by the Reorganized Debtors after the Effective Date, and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*,

collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after the Confirmation Date or Effective Date of the Plan based on the Disclosure Statement, the Plan, the Confirmation Order or otherwise. The Reorganized Debtors expressly reserve the right to pursue or adopt any claims (and any defenses) or Causes of Action of the Debtors or the Debtors in Possession, as trustees for or on behalf of the Creditors, not specifically and expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order against any Entity, including, without limitation, the plaintiffs or codefendants in any lawsuits. The Reorganized Debtors shall be representatives of the Estate appointed for the purposes of pursuing any and all such claims and Causes of Action under 11 U.S.C. § 1123(b)(3)(B).

Any Entity to whom the Debtors have incurred an obligation (whether on account of services, purchase or sale of goods, tort, breach of contract or otherwise), or who has received services from the Debtors or a transfer of money or property of the Debtors, or who has transacted business with the Debtors, or leased equipment or property from the Debtors, should assume that such obligation, transfer, or transaction may be reviewed by the Reorganized Debtors subsequent to the Effective Date and may, to the extent not theretofore specifically waived, relinquished, released, compromised or settled in the Plan or any Final Order, be the subject of an action or claim or demand after the Effective Date, whether or not (a) such Entity has filed a proof of claim against the Debtors in the Chapter 11 Cases, (b) such Entity's proof of claim has been objected to, (c) such Entity's Claim was included in the Debtors' Schedules, or (d) such Entity's scheduled Claim has been objected to by the Debtors or has been identified by the Debtors as disputed, contingent, or unliquidated.

VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Exhibit D – 7, attached hereto, sets forth a list of the Debtors' executory contracts and unexpired leases. Currently, the Debtors have failed to pay postpetition rent to Minnows Too and thus, have defaulted under the lease. The Debtors intend to pay these postpetition arrearages by assuming the lease and curing the default in accordance with the procedures set forth below.

Section 6.1 of the Plan provides that each executory contract or unexpired lease of the Debtors that has not expired by its own terms before the Effective Date or previously been assumed by the applicable Debtor in Possession pursuant to an order of the Bankruptcy Court, shall be assumed by the applicable Debtor as of the Effective Date pursuant to Sections 365 and 1123 of the Bankruptcy Code, except for any executory contract or unexpired lease (i) that is listed on a "Schedule of Executory Contracts and Unexpired Leases to be Rejected" (to be Filed on or before the day that is ten (10) days prior to the Confirmation Hearing), (ii) that has been previously rejected by the Debtor in Possession pursuant to an order of the Bankruptcy Court, (iii) as to which a motion for rejection of such executory contract or unexpired lease is filed prior to the Effective Date, or (iv) added to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" prior to the Effective Date. Nothing in the Plan, any Exhibit to the Plan, or any document executed or delivered in connection with the Plan or any such Exhibit creates any obligation or liability on the part of the Debtors, the Reorganized Debtors, or any other person or entity that is not currently liable for such obligation, with respect to any executory contract or unexpired lease except as may otherwise be provided in the Plan.

Any executory contract or unexpired lease assumed pursuant to the Plan shall be and hereby is assumed by the applicable Debtor as of the Effective Date and shall be fully enforceable by the applicable Debtor in accordance with its terms thereof, and shall include all

written modifications, amendments, supplements of said executory contract or unexpired lease and, as with respect to executory contracts or unexpired leases that relate to real property, shall include all written agreements and leases appurtenant to the premises, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easements, and any other interests in real property or rights *in rem* related to such premises. Listing a contract or lease on the “Schedule of Executory Contracts and Unexpired Leases to be Rejected” is not deemed an admission by the applicable Debtor or Reorganized Debtor that such contract is an executory contract or unexpired lease or that the Debtor or Reorganized Debtor has any liability thereunder.

The Debtors reserve the right at any time before the Effective Date to amend the “Schedule of Executory Contracts and Unexpired Leases to be Rejected” to: (a) delete any executory contract or unexpired lease listed on the “Schedule of Executory Contracts and Unexpired Leases to be Rejected”, thus providing for its assumption under the Plan, or (b) add any executory contract or unexpired lease to the “Schedule of Executory Contracts and Unexpired Leases to be Rejected”, thus providing for its rejection under the Plan. The Debtors shall provide notice of any such amendment of the “Schedule of Executory Contracts and Unexpired Leases to be Rejected” to the party to the affected executory contract and unexpired lease.

Section 6.2 of the Plan further provides that all payments, including any and all cure payments, adequate assurance or compensation for actual pecuniary loss, that are required to be paid or provided by Section 365(b)(1)(A)-(C) of the Bankruptcy Code (collectively, all cure payments, and any and all provisions for adequate assurance and/or compensation for actual pecuniary loss due or required to be paid under Section 365(b)(1)(A)-(C) of the Bankruptcy

Code, the “Cure Payments”) for any executory contract or unexpired lease that is being assumed under the Plan, unless disputed by the Debtors, shall be made by the Reorganized Debtors on the Effective Date, if the amount of the Cure Payment is \$5,000.00 or less. If the amount of the Cure Payment exceeds \$5,000.00, then the lessor or other party to the executory contract shall receive a payment of \$5,000.00 on or immediately following the Effective Date, shall receive fifty percent (50%) of the balance owed for the required Cure Payment on or before ninety (90) days after the Effective Date, and shall receive the balance owed for the required Cure Payment within one hundred eighty (180) days after the Effective Date. Any non-debtor party to any executory contract or unexpired lease to be assumed under the Plan that objects to assumption of the executory contract or unexpired lease or believes that a Cure Payment is due in connection with such assumption must file a written objection to the assumption of such executory contract or unexpired lease with no Cure Payment and state in the written objection the grounds for such objection and specifically set forth the amount of any request for a Cure Payment by the deadline established by the Bankruptcy Court for filing objections to confirmation of the Plan. Unless the non-debtor party to any executory contract or unexpired lease to be assumed files and serves on the respective Debtor and its counsel an objection to assumption of such executory contract or unexpired lease for any reason, or asserting that a Cure Payment is required or owed in connection with such assumption, by the deadline established by the Bankruptcy Court for filing objections to confirmation of the Plan, then the executory contracts and unexpired leases shall be assumed, and any default then existing in the executory contract and/or unexpired lease shall be deemed cured as of the Effective Date, and there shall be no other cure obligation or Cure Payment due or owed by anyone, including the Debtors and the Reorganized Debtors, in connection with such assumption of the executory contract or unexpired lease. Any Claims for

Cure Payments not Filed as part of a written objection to the proposed assumption within such time period will be forever barred from assertion against the applicable Debtor, its Estate, the applicable Reorganized Debtor, and its Assets, and the holders of any such Claims are barred from recovering any distributions under the Plan on account thereof. In the event of an objection to the assumption of executory contracts or unexpired leases regarding the amount of any Cure Payment, or the ability of the applicable Reorganized Debtor to provide adequate assurance of future performance or any other matter pertaining to assumption, (a) the Bankruptcy Court will hear and determine such dispute at the Confirmation Hearing, and, (b) in the discretion of the applicable Debtor, the Debtor (i) may assume such disputed executory contract or unexpired lease by curing any default or providing adequate assurance in the manner determined by the Bankruptcy Court, or (ii) the Debtor may reject such executory contract or unexpired lease as of the Effective Date. The Reorganized Debtor shall make any Cure Payment on the later of the Effective Date and the date such Cure Payment is due pursuant to a Final Order, provided however that the applicable Reorganized Debtor shall have five (5) Business Days after any order determining the amount of a disputed Cure Payment becomes a Final Order in which to amend the “Schedule of Executory Contracts and Unexpired Leases to be Rejected” to provide for the rejection of such executory contract or unexpired lease and, in such an event, such executory contract or unexpired lease shall be deemed rejected as of the Effective Date.

Section 6.3 of the Plan provides that, subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of such assumptions pursuant to Section 365(a) and 1123(b)(2) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the applicable Debtor, its estate, and all parties in interest. In addition, the Confirmation Order shall constitute a finding of fact and conclusion

of law that (i) there are no defaults of the Debtors, no Cure Payments owing (including that there is no compensation due for any actual pecuniary loss), (ii) there is adequate assurance of future performance with respect to each such assumed executory contract or unexpired lease, (iii) such assumption is in the best interest of the applicable Debtor and its estate, (iv) upon the Effective Date, the assumed executory contracts or unexpired leases constitute legal, valid, binding and enforceable contracts in accordance with the terms thereof, and (v) the counter party to each assumed executory contract or unexpired lease is required to and ordered to perform under and honor the terms of the assumed executory contract or unexpired lease. All executory contracts and unexpired leases assumed under the Plan or during the Chapter 11 Cases constitute valid contracts and leases, as applicable, enforceable by the Debtors against the non-debtor counterparties regardless of any cross-default or change of control provisions in any contracts or leases assumed or rejected under the Plan or during the Chapter 11 Cases.

Subject to the occurrence of the Effective Date, the Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejection as of the Effective Date of all executory contracts and unexpired leases which are not assumed under the Plan, with the rejection effective as of the day before the Petition Date, as being burdensome and not in the best interest of the estates

Pursuant to Section 6.4 of the Plan, any Claims for damages arising from the rejection of an executory contract or unexpired lease under the Plan must be Filed within thirty (30) days after the Effective Date or, with respect to any executory contracts or unexpired leases which are rejected after the Effective Date by amendment to the “Schedule of Executory Contracts and Unexpired Leases to be Rejected,” no later than thirty (30) days after the date of such amendment to the “Schedule of Executory Contracts and Unexpired Leases to be Rejected,” or

such Claims will be forever barred and unenforceable against the Debtors, Reorganized Debtors, and their Assets and the holders of any such Claims are barred from receiving any distributions under the Plan.

Pursuant to Section 6.5 of the Plan, unless otherwise agreed to by the affected parties, or modified by order of the Bankruptcy Court, all of the Debtors' obligations under employment and severance policies, and all compensation and benefit plans, policies, and programs shall be treated as though they are executory contracts that are deemed assumed under the Plan.

VIII. FUTURE LITIGATION

The Debtors do not intend to pursue any litigation against any other parties at this time, except as set forth below.

As previously set forth, the Corte Estate was required to pay all taxes due from Pollo, Inc. through December 31, 2007. The Internal Revenue Service has filed a proof of claim for these taxes. The Debtors may object to the proof of claim filed by the Internal Revenue Service for the income taxes due by Pollo, Inc. through December 31, 2007. Additionally, the Debtors may also enforce the Corte Estate's obligation to pay these taxes and may be forced to file suit against the Corte Estate in the Bankruptcy Case. The Corte Estate has asserted a claim in the amount of \$2.2 million in this case and, if the Corte Estate has breached any of its obligations under its agreements with the Debtors, then the amount of its claim may be offset by any prepetition taxes or any other liabilities owed by the Corte Estate.

The Debtors are also defendants in that certain lawsuit captioned, "U. S. Dept. of Labor v. Fundamental Provisions, LLC, et al, Case No. 09-05843, U. S. District Court for the Eastern District of Louisiana. The suit was instituted by the United States Department of Labor for alleged violations of federal labor laws. The Debtors have employed Todd Caruso as special

counsel to oppose the claims. The Debtors are currently in compliance with all federal and state wage and employment regulations. The lawsuit seeks monetary damages of approximately \$150,000. Prosecution of this claim is not stayed under 11 U.S.C. § 362. However, if a monetary judgment is awarded, then the Department of Labor may not execute on the judgment outside of the Bankruptcy Court, and must file an unsecured claim in the Bankruptcy Case. The Debtors do not believe there is any merit to this litigation; however, to the extent a judgment is obtained by the Department of Labor, the claim, once finally Allowed, will be treated and paid as an Unsecured Claim, without priority.

IX. CERTAIN MISCELLANEOUS AND OTHER PROVISIONS

A. PAYMENT OF STATUTORY FEES

Section 12.1 of the Plan provides that all fees payable pursuant to Section 1930 of title 28 of the United States Code shall be paid after the Effective Date by the Reorganized Debtors, as when and in the amount as required by applicable law.

B. NOTICE

Section 12.4 of the Plan provides that any notices, requests, and demands required or permitted to be provided under the Plan, in order to be effective, must be in writing (including by electronic mail or facsimile transmission), and unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) if personally delivered or if delivered by electronic mail or courier service, when actually received by the Entity to whom such notice is sent, or (b) if deposited with the United States Postal Service (whether actually received or not), at the close of business on the third Business Day following the day when placed in the mail, postage prepaid, certified or registered with return receipt requested, addressed to the appropriate Entity or Entities, at the address of such Entity or Entities set forth below (or at such other

address as such Entity may designate by written notice to all other Entities listed below in accordance with this Section:

If to the Debtors or Reorganized Debtors: David M. Bagley MorrisAnderson & Associates 55 West Monroe St., Suite 2500 Chicago, IL 60603 Email: dbagley@morrisanderson.com	Heller, Draper, Hayden, Patrick & Horn, L.L.C. 650 Poydras Street, Suite 2500 New Orleans, LA 70130 Attn: William H. Patrick, Esq. Email: wpatrick@hellerdraper.com Attn: Barry Miller, Esq. Email: bmiller@hellerdraper.com
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C. HEADINGS

Section 12.5 of the Plan provides that the headings used in the Plan are inserted for convenience only and do not in any manner affect the construction of the provisions of the Plan.

D. GOVERNING LAW

Section 12.6 of the Plan provides that, unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Louisiana, without giving effect to any conflicts of law principles thereof that would result in the application of the laws of any other jurisdiction, shall govern the construction of the Plan and any agreements, documents, and instruments executed in connection with the Plan, except as otherwise expressly provided in such instruments, agreements, or documents.

E. ADDITIONAL DOCUMENTS

Section 12.7 of the Plan provides that the Debtors have the authority to take any and all actions and execute (and perform) any agreements and documents as the Debtors deem necessary or appropriate in their reasonable discretion to effectuate and further evidence the terms and conditions of the Plan.

F. COMPLIANCE WITH TAX REQUIREMENTS

Section 12.8 of the Plan provides that, in connection with the Plan, the Debtors and the Reorganized Debtors will comply with all applicable withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions hereunder shall be subject to such withholding and reporting requirements.

G. EXEMPTION FROM TRANSFER TAXES

Section 12.9 of the Plan provides that, pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any securities under the Plan, the making or delivery of any mortgage, deed of trust, other security interest, or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall be exempt from all taxes as provided in such Section 1146(a) of the Bankruptcy Code.

H. FURTHER AUTHORIZATIONS

Section 12.10 of the Plan provides that the Debtors, and after the Effective Date, the Reorganized Debtors, may seek such orders, judgments, injunctions, and rulings they deem necessary or useful to carry out the intention and purpose of, and to give full effect to, the provisions of the Plan.

I. SUCCESSORS AND ASSIGNS

Section 12.11 of the Plan provides that the rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor or assign of such Entity.

J. MODIFICATION AND AMENDMENT TO PLAN

Section 12.12 of the Plan provides that the rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor or assign of such Entity.

K. RIGHT OF DEBTORS TO PREPAY INSTALLMENTS

Section 12.13 of the Plan provides that notwithstanding any other provision contained in the Plan, the Debtors shall have the right to prepay any installment due under the Plan to any Creditor or taxing authority without any penalty.

IX. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and certain U.S. holders of Claims and Interests. The following summary does not address the U.S. federal income tax consequences to holders whose Claims are unimpaired or otherwise entitled to payment in full in cash under the Plan (*e.g.*, Allowed Administrative Expense Claims, Allowed Priority Tax Claims and Allowed Property Tax Claims).

An analysis of the tax consequences to the Debtor and its sole member, Stanley Ware, was performed by David Wascom, the Debtors' accountant. Mr. Wascom has opined that the Plan should not have any adverse tax consequences as the Plan does not provide for any debt forgiveness. Mr. Wascom has considered federal and state income taxes related to operations.

The following summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated there under, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof. Changes in such rules or new interpretations

thereof may have retroactive effect and could significantly affect the tax consequences described below.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming which would require significant modification of the statements expressed in this section. Certain tax aspects of the Plan are uncertain due to the lack of applicable regulations and other tax precedent. The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt.

This summary generally does not address foreign, state or local tax consequences of the Plan, nor does it address the U.S. federal income tax consequences of the Plan to the particular circumstances of any holder or to holders subject to special income tax rules (such as S corporations, regulated investment companies, insurance companies, financial institutions, small business investment companies, broker-dealers and tax-exempt organizations). In addition, the discussion does not apply to holders of Claims and Interests that are not “U.S. Persons” (as such phrase is defined in the Tax Code). The use of the terms “holder” or “U.S. holder” herein shall refer to a “holder of a Claim or Interest that is a U.S. Person.”

The following discussion is a general summary of certain federal income tax aspects of the Plan to U.S. holders, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular holder of a Claim or Interest.

EACH HOLDER OF A CLAIM OR INTEREST AFFECTED BY THE PLAN SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO THAT HOLDER’S CLAIM OR

INTEREST. THIS INFORMATION MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH ANY OFFERING FOR SALE OF SECURITIES.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND ANY INTERESTS ARE HEREBY NOTIFIED THAT (a) ANY DISCUSSION OF TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE TAX CODE, AND (b) THIS DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OF THE PLAN.

A. TAX CONSEQUENCES TO THE DEBTORS

Fundamental is a limited liability company that does not recognize gain or loss at the entity level. Instead, the tax attributes and any resultant gain or loss by virtue of the Fundamental's operations are passed through to Fundamental's Interest holders. Accordingly, the pro-formas attached to this Disclosure Statement do not reflect any tax consequences to the Debtors because of the implementation of the Plan.

B. TAX CONSEQUENCES TO CERTAIN HOLDERS OF CLAIMS AND INTERESTS

HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD CONSULT THEIR TAX ADVISOR TO DETERMINE THE AMOUNT AND TIMING OF ANY INCOME OR LOSS SUFFERED AS A RESULT OF THE CANCELLATION OF THE CLAIMS OR STOCK OPTIONS HELD BY SUCH PERSON, WHETHER SUCH INCOME OR LOSS IS ORDINARY OR CAPITAL AND THE TAX EFFECT OF ANY RIGHT TO, AND RECEIPT OF DEFERRED PAYMENT.

THE ABOVE DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN

AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, ALL HOLDERS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

X. CONFIRMATION PROCEDURE

A. VOTING AND OTHER PROCEDURES

A Ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement submitted to the holders of Claims and Interests that are entitled to vote to accept or reject the Plan.

After notice and a hearing on _____, 2010, the Bankruptcy Court approved this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Creditors to make an informed judgment whether to accept or reject the Plan.

HOWEVER, APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN. ALL CREDITORS AND HOLDERS OF INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY.

Pursuant to the provisions of the Bankruptcy Code, only holders of Claims or interests in Classes of Claims or interests that are impaired under the terms and provisions of a chapter 11 plan and are to receive distributions there under are entitled to vote to accept or reject the Plan. Classes in which the holders of Claims or interests will not receive or retain any property under a Chapter 11 Plan are deemed to have rejected the Plan and are not entitled to vote to accept or

reject the Plan. Classes of Claims or interests in which the holders of Claims or interests are unimpaired under a Chapter 11 plan are deemed to have accepted the plan and also are not entitled to vote to accept or reject the plan.

The Bankruptcy Code defines “acceptance” of a plan by a class of: (i) claims, as acceptance by creditors actually voting in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims; and (ii) interests, as acceptance by interest holders in that class actually voting that hold at least two-thirds in number of such interests.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or otherwise in accordance with the provisions of the Bankruptcy Code.

With respect to the Plan, any Creditor in an impaired Class (i) whose Claim has been listed by the Debtors in the Schedules filed with the Bankruptcy Court (provided that such Claim has not been scheduled as disputed, contingent or unliquidated), or (ii) who filed a proof of claim on or before the Bar Date (or, if not filed by such date, any proof of claim filed within any other applicable period of limitations or with leave of the Bankruptcy Court), which Claim has not been disallowed and is not the subject of an objection, is entitled to vote. Holders of Claims that are disputed, contingent and/or unliquidated are entitled to vote their Claims only to the extent that such Claims are Allowed for the purpose of voting pursuant to an order of the Bankruptcy Court. The Debtors believe that any Class of impaired, Secured Claims that does not vote to accept or reject the Plan is deemed to accept the Plan, and intend to seek such a determination at the Confirmation Hearing.

Under the Bankruptcy Code, a plan does not have to be accepted by every class of claims or interests to be confirmed. If a class of claims or interests rejects a plan or is deemed to reject

the plan, the plan proponent has the right to request confirmation of the plan pursuant to Section 1129(b) of the Bankruptcy Code -- the so-called "cramdown" provision of the Bankruptcy Code. Section 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more impaired classes of claims or interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class, and meets the other legal criteria for confirmation.

With respect to the Plan, if one or more of the Classes entitled to vote on the Plan votes to reject the Plan, the Debtors intend to request confirmation of the Plan notwithstanding the rejection of such Class or Classes. In so doing, the Debtors will seek to establish that the Plan complies with the best interest of creditors test with respect to any such Class or Classes, and satisfies all other legal criteria for confirmation.

After carefully reviewing this Disclosure Statement, including any exhibits, each holder of an Allowed Claim or Interest entitled to vote may vote whether to accept or reject the Plan. A Ballot for voting on the Plan accompanies this Disclosure Statement. If you hold a Claim or Interest in more than one Class and you are entitled to vote Claims or Interests in more than one Class, you are entitled to receive a Ballot or Ballots which will permit you to vote in all appropriate Classes.

Please vote and return your Ballot to Debtors' counsel as follows:

By U.S. Mail, Delivery or Courier:

Heller, Draper, Hayden, Patrick & Horn, LLC Attn: Cherie Nobles, Esq. 650 Poydras Street, Suite 2500 New Orleans, Louisiana 70130
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ANY EXECUTED BALLOT THAT FAILS TO INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. BALLOTS RETURNED TO

HELLER, DRAPER, HAYDEN, PATRICK & HORN, LLC BY FACSIMILE TRANSMISSION OR ANY OTHER ELECTRONIC MEANS WILL NOT BE COUNTED BY THE DEBTORS' VOTING AGENT.

Ballots must be *received* by Heller, Draper, Hayden, Patrick & Horns, LLC by the Voting Deadline.

**THE VOTING DEADLINE TO ACCEPT OR
REJECT THE PLAN IS 5:00 P.M.,
CENTRAL TIME ZONE, ON
_____, 2010.**

If a Ballot is received after the Voting Deadline, it will not be counted unless otherwise ordered by the Bankruptcy Court. Complete the Ballot by providing all the information requested, and sign, date and return the Ballot by mail, overnight courier or personal delivery to Heller, Draper, Hayden, Patrick & Horns, LLC, at the address set forth above.

TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN THE TIME AND DATE SET FORTH IN THE ACCOMPANYING NOTICE.

If you are entitled to vote on the Plan and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan or submitting your ballot, you may telephone Heller, Draper, Hayden, Patrick & Horns, LLC at the following telephone number: 1-504-299-3300.

B. THE CONFIRMATION HEARING ON THE PLAN

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing with respect to the accompanying Plan. The Confirmation Hearing in respect of the Plan has been scheduled for the date and time set forth in the accompanying notice before the

Honorable Douglas Dodd, United States Bankruptcy Court, Middle District of Louisiana, 707 Florida Street, Room 222, Baton Rouge, Louisiana 70801. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than an announcement of the adjourned date made at the Confirmation Hearing or posted at the courthouse at the Confirmation Hearing. Any objection to confirmation must be made in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or a description of the interest in the Debtors held by the objector, and must be made in accordance with any pre-trial or scheduling orders entered by the Bankruptcy Court. Any such objections must be Filed in the record of the Chapter 11 Cases on or before the date and time set forth in the accompanying notice.

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan is (i) accepted by all impaired classes of claims or, if rejected by an impaired class, that the plan "does not discriminate unfairly" and is "fair and equitable" as to such class, (ii) feasible, and (iii) in the "best interests" of creditors that are impaired under the plan.

C. UNFAIR DISCRIMINATION AND FAIR AND EQUITABLE TESTS

To obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each impaired, non-accepting Class. The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable." The Bankruptcy Code establishes "cram down" tests for classes of secured creditors, unsecured creditors and equity holders which do not accept the plan, as follows:

1. Secured Creditors

Either (a) each impaired secured creditor retains its liens securing its secured claim and receives on account of its secured claim deferred cash payments (x) totaling at least the allowed amount of the secured claim and (y) having a present value at least equal to the value of the secured creditor's collateral, (b) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim, or (c) the property securing the claim is sold free and clear of liens with the secured creditor's lien to attach to the proceeds of the sale and such lien on proceeds is treated in accordance with clause (a) or (b) of this subparagraph.

2. Unsecured Creditors

Either (a) each impaired unsecured creditor receives or retains under the plan property of a value equal to the amount of its allowed claim, or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan, and the "best interest" test is met so that each impaired unsecured creditor recovers at least what that creditor would receive if the case was converted to a chapter 7 case.

3. Holders of Interests

Either (a) each impaired equity interest receives or retains under the plan property of a value equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) no junior interest receives or retains any property, and the "best interest" test is met so that each impaired interest holder recovers at least what that interest holder would receive if the case was converted to a chapter 7 case.

4. No Unfair Discrimination

In addition, the "cram down" standards of the Bankruptcy Code prohibit "unfair discrimination" with respect to the claims of an impaired, non-accepting class. While the

existence of “unfair discrimination” under a plan of reorganization depends upon the particular facts of a case and the nature of the claims at issue, in general, courts have interpreted the standard to mean that the impaired, non-accepting class must receive treatment under a plan of reorganization which allocates value to such class in a manner that is consistent with the treatment given to other classes with similar legal claims against the debtor.

In the event that all impaired Classes do not accept the Plan, the Plan proponents believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation of the Plan with respect to any Class which does not accept the Plan

D. FEASIBILITY OF PLAN

The Bankruptcy Code requires that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization unless the liquidation of the debtor is provided for in the Plan. It is not likely that the confirmation of the Plan will be followed by liquidation or the need for further financial reorganization of the Debtors. Attached as Exhibit D- 5 to this Disclosure Statement is information reflecting the Reorganized Debtors' projected cash flow under the Plan, demonstrating the ability of the Debtors to operate their businesses and make the payments required under the Plan.

E. BEST INTEREST TEST / LIQUIDATION ANALYSIS

In order to confirm a plan of reorganization, the Bankruptcy Court must determine that the plan is in the best interests of all classes of creditors and equity security holders impaired under that plan. The "best interest" test requires that the Bankruptcy Court find that the plan provides to each member of each impaired class of claims and interests (unless each such member has accepted the plan) a recovery which has a value at least equal to the value of the distribution that each creditor or interest holder would receive if the debtor was liquidated under

chapter 7 of the Bankruptcy Code. If these Chapter 11 Cases were converted to chapter 7 cases, a trustee would be appointed to liquidate the assets of the Debtors. In liquidation under chapter 7, before Creditors receive any distributions, additional administrative expenses involved in the appointment of a trustee, including the statutory fee to a chapter 7 trustee under Section 326(a) of the Bankruptcy Code, and attorneys, accountants and other professionals to assist a trustee, would cause a substantial increase in the administrative expenses of the Debtors' Estates. The Debtors' assets available for distribution to Creditors would be reduced by such additional expenses and by Claims, some of which would be entitled to priority status. As demonstrated in the Liquidation Analysis attached as Exhibit D-3 to this Disclosure Statement, the Debtors believe that the Plan provides to each Creditor and Equity Interest holder a value at least equal to the value of the distribution that each creditor or interest holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

The Debtors believe unequivocally that the majority of value inherent in any and all of its assets are due to the value as an ongoing business operating as Popeye's franchise locations. Therefore when any liquidation scenario is reviewed the valuation has to include a significant discount for closing down the operations and selling the real property, equipment and other assets without the benefit of ongoing operations nor the ability to operate as a Popeye's franchisee.

Separately, given the specific real property and equipment requirements of a Popeye's location, the ability to operate a closed location as another restaurant operation would be non-optimal at best. The cost to retrofit a closed location to conform to the specifications of another roughly equivalent franchise operation would be substantial, as would a retrofit of the location to serve as a different restaurant operation.

F. POST CONFIRMATION MANAGEMENT

David Bagley will remain Chief Restructuring Officer through the first to occur of: (1) the three (3) year anniversary of the Effective Date and the successful completion of payments contemplated under the Plan through the three (3) year anniversary of the Effective Date; (2) the refinancing of the Entities and subsequent payment in full of all Claims due under the Plan, extinguishing all debts detailed within the Plan; or (3) the sale of the Entities; or (4) the conversion of the Entities to a Chapter 7 proceeding; or (5) the replacement or removal of MorrisAnderson and Mr. Bagley as Chief Restructuring Officer by order of the Bankruptcy Court after notice and hearing. Mr. Bagley may terminate his position voluntarily or be removed upon motion of a party in interest for just cause as may be determined in the discretion of the Bankruptcy Court. After the removal or termination of the Chief Restructuring Officer, full authority to make disbursements and to operate the Debtors shall revert in the managing member(s) of Fundamental.

Upon the consummation of the Plan, the management of the Reorganized Debtors shall remain as currently constituted unless and until modified pursuant to their respective corporate documents.

G. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN (AND ANY DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE), BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

H. CERTAIN BANKRUPTCY CONSIDERATIONS

1. Risk of Liquidation of the Debtors' Estates

If the Plan is not confirmed and consummated, there can be no assurance that Debtors' Chapter 11 Cases will continue as chapter 11 reorganization cases rather than be converted to liquidations, or that any alternative plan of reorganization would be on terms as favorable or more favorable to holders of Claims and Interests as the terms of the Plan.

2. Risk of Non-Occurrence of the Effective Date

The occurrence of the Effective Date is conditioned upon the happening of certain events. There is no guaranty that all of these events will occur or that those that do not occur will be waived.

3. Uncertainty Regarding Objections to Claims

The Plan provides that certain objections to Claims can be filed with the Bankruptcy Court after the Effective Date. A Creditor may not know that its Claim will be objected to until after the Effective Date.

4. Performance of Plan Obligations by the Reorganized Debtors

The Debtors believe and the Pro Forma Projections demonstrate that the Reorganized Debtors can successfully perform all of their obligations under the Plan. However, there is no assurance that the Reorganization Debtors will do so. If the Debtors are unable to comply with their obligations under the Plan, then there could possibly be a subsequent bankruptcy, and possible liquidation, of the Reorganized Debtors.

I. DISCLAIMERS AND ENDORSEMENTS

This Disclosure Statement contains information about the Plan. Creditors and the holders of Equity Interest are urged to study the text of the Plan carefully to determine the Plan's impact on their claims or interests and to consult with their financial, tax and legal advisors.

Nothing contained in this Disclosure Statement or the Plan will be deemed an admission or statement against interest that can be used against the Plan Proponents in any pending or future litigation. Any reference to a Creditor's Claims in this Disclosure Statement is not an admission that such Creditors hold Allowed Claims, or will be an admission with respect to the validity, priority, or extent of any alleged Lien, Claim, Priority or encumbrance.

Certain statements and assertions in this Disclosure Statement may be subject to dispute by parties in interest.

XI. CONCLUSION AND RECOMMENDATION

The Debtors believe that confirmation and implementation of the Plan are preferable to any alternative and that the Plan provides the best alternative for the Debtors to emerge from the Chapter 11 Cases and for resolving the Debtors' financial difficulties. Any other alternative would involve significant delay, litigation, uncertainty, and substantial additional administrative costs. **THE DEBTORS URGE HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE IN FAVOR OF THE PLAN.**

Dated: April 16, 2010

DISCLOSURE STATEMENT FILED BY:

Fundamental Provisions, LLC
Pollo, Inc.
Thaxco, Inc.

BY: /s/ David M. Bagley
David M. Bagley
Chief Restructuring Officer

/s/ Barry W. Miller
William H. Patrick, III, La. Bar No. 10359
Barry Miller, La. Bar No. 09678
Cherie Dessauer Nobles, La. Bar No. 30476
**HELLER, DRAPER, HAYDEN,
PATRICK & HORN, L.L.C.**
650 Poydras Street, Suite 2500
New Orleans, LA 70130-6103
Telephone: 504-299-3300
Fax: 504-299-3399
Email: wpatrick@hellerdraper.com
bmiller@hellerdraper.com
cnobles@hellerdraper.com

As counsel to
Debtors and Debtors in Possession

NOTICE ANNEX

Pursuant to 11 U.S.C. § 342, the following sets forth the name, addresses and last four digits of the tax identification number for each of the referenced Debtors:

DEBTORS AND ADDRESSES	CASE NO.	TAX ID. NO.
Fundamental Provisions, L.L.C. 1434 N. Burnside Avenue, Suite 22 Gonzales, LA 70737	09-11897	xx-xxx1846
Pollo, Inc. 1434 N. Burnside Avenue, Suite 22 Gonzales, LA 70737	09-11900	xx-xxx1924
Thaxco, Inc. 1434 N. Burnside Avenue, Suite 22 Gonzales, LA 70737	09-11901	xx-xxx2455