

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAKE CHARLES DIVISION**

**IN RE:
PWK TIMBERLAND, LLC
Debtor**

**CHAPTER 11

Case No. 13-20242**

FIRST AMENDED DISCLOSURE STATEMENT

(A)

INTRODUCTION

PWK TIMBERLAND, LLC (“Debtor”), Debtor-in-Possession, presents the following Amended Disclosure Statement. The Debtor's Plan is attached to the original Disclosure Statement and will not be amended until the issues raised in the Motion to determine Impaired Status and Objections to Proofs of Claim are heard and determined.

Under the Debtor’s Plan all allowed claims will be satisfied in full.

The Bankruptcy Case primarily involves the payment of the debt owed to former members of the company who exercised their rights under "Section 2 - Put Option" of the Articles of Organization of PWK Timberland, LLC on January 31, 2011. Those former members will be referred to as Withdrawing Members (WM) in this Amended Disclosure Statement.

(B)

**DEBTOR INTENDS TO EXERCISE ALL RIGHTS
AVAILABLE TO DEBTOR UNDER CHAPTER 11**

The Debtor intends to seek and utilize all rights available to the Debtor in the filing and implementation of this Amended Disclosure Statement and Plan.

(C)
DEBTOR'S FILING OF CHAPTER 11

On March 22, 2013, the Debtor filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Louisiana, Lake Charles Division.

After the filing of the bankruptcy petition, the Debtor was allowed to continue in business under the protection of the Bankruptcy Code and to attempt to work out an arrangement with Creditors on a Plan for the repayment of its debts. This document explains the Debtor's Plan and how the Debtor proposes to pay creditors and continue in business.

(D)
DEBTOR'S FILING OF DISCLOSURE STATEMENT AND PLAN

The confirmation process began with the filing of the Original Disclosure Statement and Plan. The intent of the Debtor's Disclosure Statement is to explain the Debtor's Plan to Creditors so they can make an informed decision on whether to vote for or against the Debtor's Plan. The Original Disclosure Statement was objected to by the WM and this First Amended Disclosure Statement is filed in an attempt to satisfy those objections. A hearing will be set to approve this Amended Disclosure Statement and creditors will have time before the Hearing to consider the Debtor's Amended Disclosure Statement.

Creditors can object to the approval of the Amended Disclosure Statement if a creditor finds it does not give them enough information or is not satisfactory. Once the Amended Disclosure Statement is approved it, along with any Exhibits in support of the Plan, and the Plan itself are sent to all Creditors for consideration. Creditors that are

impaired will also receive a ballot to vote to accept or reject the Plan. Creditors can also object to the confirmation of the Plan. **There will be a deadline to vote and object. The deadline will not be set until the plan is noticed out for confirmation.**

The WM in this case were insiders of the debtor until January 31, 2011. They have been provided with all of the written records of the company from its inception until January 31, 2011, all records of Scalisi, Myers & White, the CPA firm that compiled the debtor's financial information and prepared all tax returns for the debtor prior to 2012. The former CPA, Leo Scalisi, two current directors and one former director have been deposed by the former members. Sam Pruitt, the current Manager/President of the debtor has been deposed three times since the case was filed (continuation depositions). The only written material that has been withheld from the former members are materials that are considered privileged under the attorney client privilege. These documents have been determined to be privileged by Hon. Kent Savoie, Judge 14th Judicial District Court in a ruling dated December 16, 2013. This privilege review was conducted by the Court in accordance with a ruling made prior to the commencement of this case by Judge Savoie. The review of the privileged documents was remanded to the 14th Judicial District Court by this court via an Order dated August 2, 2013 (docket #143) entered on the former members first Motion to Lift Stay. In accordance with the ruling of the State Court, these documents will not be turned over to the WM.

The essence of this case has been the conflict over how to determine what is owed to the WM and how that debt was going to be paid. The debtors have filed a plan that provides for full payment of the claims of the WM either by agreed cash payment in full

or deferred payment as set out under the terms of the Articles of Organization that were in place when the WM tendered their shares in the company.

There has been nothing in this case and in the state court proceedings that preceded it that has not been vigorously contested by both sides. There have been numerous motions filed by both sides that contain very detailed assertions of fact about the history of the company, the history of the management and the state court litigation, which have been hotly disputed by whatever side opposed the relief sought.

(E)

HISTORY AND BACKGROUND

1. **Background**: The debtor, PWK Timberland, LLC, came into existence on December 15, 2004. Articles of Organization of PWK Timberland, LLC were filed with the Secretary of State of Louisiana on December 15, 2004.

Article XII, Section 2 of the Articles of Organization of PWK Timberland, LLC which were in effect on January 31, 2011 provides a mechanism whereby current Members may elect to require the company to redeem their membership interest conditioned upon their complying with the provisions for exercising of the option as set forth in the Articles of Organization PWK Timberland, LLC. This procedure for redemption of the Members shares is referred to in the Articles of Organization as the "Put Option procedure". The company is required to redeem the units not purchased by the members. One must refer to the Articles of Organization to determine the complete procedure. The Articles of Organization provide a formula for determining the "agreement price" when a Member exercises his or her rights under the "Put Option".

On or before January 31, 2011 the WM exercised their right to "put" their membership units and demand a redemption of their membership interest pursuant to the Put Option.

2. The Valuation Process

PWK's Articles of Organization contain a deliberate, detailed and sometimes confusing procedure to be followed in the event a member elects to exercise his or her put option rights (Section 2 of the Articles).

The relevant put option period commenced January 1, 2011 and ended January 30, 2011. The former members exercised their rights under the Put Option during the relevant time period.

The Articles provide that within 15 days of the end of the Put Option Period, or by February 14, 2011, PWK was required to appoint "qualified appraisers" as defined in the documents. PWK's Articles of Organization require appointment of "a qualified consulting forester" and "qualified land appraiser" to determine the fair market value of the company's land and standing timber. The Articles define a "Qualified Appraiser" as a "professional appraiser or independent certified public accountant who is qualified by experience and ability to appraise the land, standing timber or other asset of the company."

By three separate letters each dated January 31, 2011, Vanessa Brown Claiborne, Chaffe & Associates, Daniel R. Plauche, and Warren E. Peters, ACF were each appointed as a qualified appraiser pursuant to Section 2.1 of the Articles of Organization.

All PWK members were informed that the put option had been exercised by Tendering Members by letter dated February 9, 2011.

The three qualified appraisers were appointed by PWK by February 14, 2011. The appointment of the three qualified appraisers was timely. The report of the three appraisers was completed and transmitted to counsel for the WM on January 31, 2012. It is believed that the WM appointed Kevin Daugherty to review the forestry information submitted by Warren Peters of Peters Forest Resources, Inc., John Mack Love, Jr. to appraise certain select parcels of land to determine if the real estate appraisal done on behalf of the company was accurate, and Daphne Berken, CPA to review the valuation report performed by Vanessa Claiborne on behalf of PWK. April 15, 2012 was the last day for the WM to indicate that they did not agree on the single written opinion submitted by PWK and its appraisers. On May 25, 2012 Daphne Berken wrote a letter to Vanessa Claiborne indicating the former members disagreement with the first appraisers and recommends the appointment of a third valuator. On May 25, 2012 Vanessa Claiborne wrote a letter to Daphne Berken recommending the appointment of a third valuator/appraiser. On June 13, 2012 Daphne Berken accepts Mr. Chav Pierce of LaPorte CPAs as the third appraiser. The parties could not agree on the terms of employment of Mr. Pierce prior to the commencement of the bankruptcy case. Subsequent to the Chapter 11 being filed the debtor agreed to the engagement and LaPorte was appointed to provide the valuation services set forth in his engagement letter dated June 13, 2013. The LaPorte engagement was approved by the bankruptcy court on June 25, 2013. PWK tendered the signed engagement letter and \$25,000.00 retainer to Mr. Pierce on June 24, 2013 based on the Court's oral ruling approving his employment.

PWK has cooperated with LaPorte in all requests made subsequent to their appointment and is it believed that the valuation process is ongoing. It is believed that it

will be several months before that valuation process is complete.

The above valuation summary is a summary only and is not intended to be a stipulation of fact or to imply that any party to this Chapter 11 proceeding engaged in any intentional delay of the valuation process. That issue will be determined by the court at a later date.

3. The Mineral Interests of the Former Members.

PWK was ordered to provide a Mineral Deed by Judge David Ritchie through a Judgment that was signed on February 11, 2013 and filed on February 13, 2013 in the matter entitled 2011-2533-E.

The terms of the Judgment have been fully complied with by PWK. PWK delivered a signed Mineral Deed, an accounting of the mineral income owed to the former members and the accumulated mineral income that was attributable to the former members from January 2011 through January 2013. PWK continues to collect some Royalty Income and some Oil and Gas Lease Rental Income for the current and WM. It has accurately accounted for the money that is owed to the former members after the Judgment rendered by Judge Ritchie. There have been no subsequent orders directing that the income belonging to the WM be turned over to them.

The status of the Mineral Deed was addressed in the Motion to Lift Stay filed by the WM and the Reply and Opposition filed by the debtor. Subsequent to the hearing on the Motion to Lift Stay the WM submitted some suggested corrections additions and deletions to the draft of the Mineral Deed to counsel for debtor. Those additions, corrections and deletions were incorporated into a revised Mineral Deed prepared by the Gray Law Firm and tendered to the WM sometime on August 8, 2013. As of this writing

the Mineral Deed has not been signed or returned to counsel for the debtor with any further comment or suggestion for edit.

There has been substantial progress in getting the Mineral Deed issue resolved. A. J. "Jack" Gray, on behalf of the debtor and Alonzo "Lon" Wilson on behalf of the WM have made significant progress in putting together an acceptable Mineral Deed. As of this writing the proposed deed is in the possession of the WM pending approval of it in final form.

On January 9, 2014, the debtor filed a Motion to Pay the WM the mineral income accrued since January of 2013 with interest legal interest through January 31, 2014 and to pay any future mineral income received by the debtor on behalf of the WM on a monthly basis. The order approving that Motion has been filed and is not been entered as of this writing. The debtor has provided counsel for the WM an accounting of the mineral income received on behalf of the WM and is prepared to comply with the terms of the proposed order when entered.

(F)

DEBTOR'S CORPORATE STRUCTURE

1. PWK Timberland, LLC originated with 500 units of membership interest. 155.2781 units were tendered in the provisions of the "put option" on or before January 31, 2011. The remaining 344.72 units consist of current members or equity holders of PWK Timberland, LLC that are listed as follows:

Alison Carol King 429 Thomas Smith Road Sugartown, LA 70662	member	4.00000 #units
Andrew G. Pruitt 1301 North Troy Street, Apt. 10 Arlington, VA 22201	member	1.43000 #units
Anne E. Maduzia 4416 Snowcloud Court Concord, CA 94518	member	0.85800 #units
Charles L. Pruitt 1900 Elm St. Apt 604 Dallas, TX 75201	member	1.43000 #units
Daniel T. Pruitt 4503 Ihles Road Lake Charles, LA 70605	member	1.43000 #units
Elizabeth P. Maduzia 4416 Snowcloud Court Concord, CA 94518	member	31.63552 #units
George Merritt King, IV PO Box 1934 Kinder, LA 70648	member	46.92290 #units
George Merritt King, V PO Box 1666 Kinder, LA 70648	member	18.00000 #units
Jacob S. Pruitt 4503 Ihles Road Lake Charles, LA 70605	member	1.43000 #units
James F. Maduzia 4416 Snowcloud Court Concord, CA 94518	member	0.85800 #units

Jean King White 3602 Holly Hill Road Lake Charles, LA 70605	member	54.39801 #units
John Robert L. Maduzia 4416 Snowcloud Court Concord, CA 94518	member	0.85800 #units
John W. Pruitt 4503 Ihles Road Lake Charles, LA 70605	member	1.43000 #units
Justin Marc Young 296 Hightower Road Deridder, LA 70634	member	7.00000 #units
Logan P. Pruitt 4507 Ihles Road Lake Charles, LA 70605	member	31.63552 #units
Martha A. Pruitt 5700 Scruggs Way, Apt. 5402 Plano, TX 75024	member	1.43000 #units
Samuel L. Maduzia 4416 Snowcloud Court Concord, CA 94518	member	0.85800 #units
Samuel Y. Pruitt 4503 Ihles Road Lake Charles, LA 70605	member	31.63551 #units
Virginia King Pruitt 3218 Henderson Bayou Road Lake Charles, LA 70605	member	106.62443 #units
William W. Maduzia 4416 Snowcloud Court Concord, CA 94518	member	0.85800 #units
Total Current Member Units		344.72 #units

2. The Debtor's Management

The Debtor is managed by its managing member, Samuel Y. Pruitt. Mr. Pruitt is employed as the President/Manager and Executive Officer of the company and is responsible for the day to day operations of the company. The monthly operating reports are current and are prepared by Michael Terranova, CPA under the supervision on Samuel Y. Pruitt.

(G)

WHAT HAS HAPPENED SINCE THE BANKRUPTCY CASE WAS FILED?

The Debtor has filed required Schedules with the Clerk of the Bankruptcy Court. Further, Debtor has provided all requested documents to the office of the United States Trustee. Debtor has filed the required monthly reports and has retained the Court-approved professional services of Legal Counsel, a Certified Public Accountant and LaPorte CPAs as professional valuator. The Debtor is now filing the Amended Disclosure Statement.

As stated earlier, the Disclosure Statement must provide Creditors and Parties of interest with sufficient information to allow them to evaluate the Debtor's Plan. The required Disclosure Statement should provide the required information.

A meeting of Creditors was held on May 16, 2013 at 11:15 o'clock a.m. at the Federal Court Building in Lake Charles, Louisiana.

The Debtor has and will continue to timely file monthly reports with the Office of the United States Trustee. The Debtor is maintaining a "Debtor in Possession" checking account and is current on all post-petition trade payables.

The debtor currently has four tracts of land in Calcasieu Parish that have been listed for sale since this case was filed. The listing agreements, realtors, and all details of the listing process have been provided to the WM through motions filed in this court.

LAND SALES

On March 14, 2014 the debtor filed a Motion to Sell Real Property. The debtor received an offer to purchase 87.5 acres located on Perkins Road in Westlake, Louisiana for \$750,000.00. On March 20, 2014 the Bankruptcy Court entered an order allowing the debtor to enter the buy/sell contract and proceed with the sale. The realtor handling the transaction for PWK is Dan Flavin of Flavin Realty and has informed the debtor that the due diligence process is proceeding smoothly and that he expects the sale to close in a timely manner.

The remaining three tracts of land in Calcasieu Parish remain listed for sale and no offers have been received by the debtor to purchase these tracts as of this writing.

THE MATTERS REMANDED TO STATE COURT

On May 15, 2013 the WM filed a Motion to Lift the Automatic Stay in an effort to have certain matters remanded to State Court. On August 2, 2013 the Bankruptcy Court granted the Motion to Lift Stay in part and remanded two specific issues to Hon. Kent Savoie in the 14th Judicial District Court for hearing. Those issues were the Motion for Summary Judgment that related to the discount rate that should or should not be applied to the valuation of the shares and the Motion to Turn Over Documents that related to a set of documents that were not produced by PWK in response to an earlier discovery request by the WM under the attorney/client privilege.

On December 16, 2013 Judge Savoie ruled on both matters in open court. Judge Savoie denied the motion for turnover and determined that the documents were not discoverable under the attorney client privilege. He further denied the Motion for Summary Judgment on the issue of the discount rate that should be applied.

On February 10, 2014 the WM filed a Motion for Reconsideration of the denial of the Motion for Summary Judgment. On February 27, 2014 PWK filed an Opposition to the Plaintiff's Motion for Reconsideration. On March 10, 2014 a hearing was held on the Motion to Reconsider and it was denied in open court.

On March 26, 2014 the WM filed a Notice of Intent to Apply for Writs to the Louisiana Third Circuit Court of Appeal. There has been no action on the Writ application as of this writing.

RETENTION OF ADDITIONAL COUNSEL BY PWK

On October 10, 2013 PWK filed a Motion to Employ the Gray Law Firm as additional counsel. The Gray Law Firm had represented the debtor in the State Court litigation that preceded the filing of this Chapter 11 proceeding and had extensive knowledge of the issues relating to the Put Option and the Mineral Deed issues. The WM opposed the retention of the Gray Law Firm, alleging among other things, that the Gray Law Firm and specifically A. J. Gray, III had a conflict of interest in representing the debtor. That objection was overruled by the Bankruptcy Judge at a hearing held on December 5, 2013. On December 12, 2013 an Order was entered allowing the debtor to employ the Gray Law Firm and that firm has been representing the debtor since.

DISGOURGEMENT OF SALARY BY PRESIDENT AND MANAGER

At a Status Conference held on August 15, 2013 the WM made an issue of Sam Pruitt being paid his normal monthly compensation in a month where there was insufficient cash flow (determined on a monthly basis) to pay the normal operating expenses of PWK. On September 19, 2013, the court on its own motion directed PWK to show cause at a hearing set for November 14, 2013 why the salary received for the month of June 2013.

A hearing on this was held on December 5, 2013. The debtor presented evidence including the testimony of Michael Terranova, CPA. After hearing the evidence and argument of counsel the court recalled the Rule and no disgorgement was ordered.

SECOND MOTION TO LIFT STAY

On December 20, 2013 the WM filed a Second Motion to Lift Stay, again urging that certain matters be remanded to the State Court. That Motion was opposed by PWK and was heard on January 9, 2014. The motion was denied at that hearing and several other matters were put on track to move the confirmation process along.

MOTION TO DETERMINE IMPAIRED STATUS

The hearing set for January 9, 2014 was held in the court's chambers and many matters were discussed by the court, including the pending 2nd Motion to Lift Stay and the matters that had to be resolved before the case could proceed to confirmation.

The debtor has asserted that the WM are unimpaired creditors that will be paid 100% of their claims in accordance with the Put Option provision of the Articles of Organization. Their status as unimpaired creditors also precludes their ability to vote to accept or reject the Plan of Reorganization proposed by the debtor.

The WM disagree that they are unimpaired. The bulk of the objection to the original Disclosure Statement was directed to their assertions and arguments related to their impaired status.

It was not the intention of the original Disclosure Statement or this First Amended Disclosure Statement to determine their status and impaired or unimpaired.

The court and counsel agreed that the issues related to the impaired status of the creditors would have to be resolved in the Bankruptcy Court before the Plan could be submitted to the creditors for a vote. The court suggested that PWK file a Motion to Determine Impaired Status and on March 3, 2014 that motion was filed.

The WM had filed Proofs of Claim December 18, 2013. Each Withdrawing Member filed their own proof of claim. PWK objected to the proofs of claim on January 9, 2014. The issues raised in the proofs of claim are issues that relate to the WM status as impaired. The court and counsel for all parties suggested that the issues raised in the Motion to Determine Impaired Status and the issues raised in the proof of claim dispute are factually related and should be heard together.

On April 10, 2014 the court held a status conference with all counsel and set a Scheduling Order for the hearing on the Motion to Determine Impaired Status and the Objections to the Proofs of Claim. The trial on those matters is to be held on October 27, 28 and 29 in the Bankruptcy Court in Lafayette. The debtor will not be able to proceed with confirmation of the Plan until these matters are resolved.

THE PURCHASE OF THE OWNERSHIP INTEREST OF LILLIAN RUTH HARPER DEAN

A current member of PWK was contacted in early March 2014 by Lillian Ruth Harper Dean, a former member. Lillian Ruth Harper Dean is the owner of 0.71500

membership units in PWK Timberland, LLC. PWK Timberland, LLC agreed to acquire Mrs. Dean's ownership interest 0.71500 units (.143000%) for the sum of \$17,160.00 and purchase her mineral interest for \$1,500.00. She further agreed to withdraw her proof of claim No. 8 and release PWK Timberland, LLC and its officers and directors from all pending litigation as fully detailed in the Act of Transfer, Compromise and Release attached in Exhibit A to the Motion to Enter an Act of Transfer, Compromise and Release (Docket #274) that was filed by PWK on March 31, 2014. That Motion is set for hearing on May 1, 2014.

(H)

HOW DOES THE DEBTOR PROPOSE TO PAY ITS DEBTS?
THE CREDITORS ARE DIVIDED INTO CLASSES

The Bankruptcy Code requires a Debtor to divide its Creditors into Classes. Creditors with the same legal rights must be put into the same Class. In this case, Debtor has three classes of unsecured claims. The Debtor's Legal Counsel, accountants, and post-petition¹ Creditors are put in a separate category defined as "Administrative Claims" which are Creditors who have assisted with this bankruptcy case either by rendering services or providing credit to the Debtor post-petition. They have in some way contributed in a positive way to the preservation of the Debtor's estate and provided services or goods that were reasonable, necessary and of benefit to the Debtor. The subject professional fees must be approved by the court after notice and a hearing.

All of these Creditors are "unsecured creditors," and are placed into separate Classes. The various Classes of Creditors and how their Claims are treated are addressed in the Plan that was attached to the Debtors Original Disclosure Statement.

(I)

**HOW MUCH AND WHEN DOES
THE DEBTOR PROPOSE TO PAY CREDITORS?**

The Plan outlines Debtor's Proposed Payment Schedule. Debtor proposes to pay or otherwise satisfy all allowed claims in full.

All of the assets of the Reorganized Debtor (another label for Debtor used to describe Debtor after the Plan is confirmed), including all furniture, fixtures, equipment, intangibles, movable property and immovable property will be retained by and revert in the Reorganized Debtor free and clear of any mortgage, lien, judgment and/or other encumbrances, none of which will be recognized and maintained under this Plan with the exception of the security afforded to the WM under the terms of the Articles of Organization as originally contracted.

The general premise of the Plan is that the Debtor will pay all Creditors holding Allowed Claims 100% of any amounts owed with the exception of any claims disallowed by the Court.

The Reorganized Debtor, PWK TIMBERLAND, LLC, will continue to operate much as the Debtor has in the past.

(J)

**DOES THE DEBTOR HAVE ENOUGH MONEY AND
EARNINGS TO MAKE THE PAYMENTS CALLED FOR UNDER THE PLAN?**

The members of PWK are prepared to purchase a significant portion of the shares of the WM when the valuation is complete. Any shares not purchased by the current members will be purchased by the company, either in full payment if the shares are

valued at \$24,000 or less by the valuator, or in 5 annual payments if the shares are valued more than \$24,000 by the valuator, as provided for under the Articles of Organization.

The company is seeking a loan from a local bank to finance the purchase of any shares not purchased by the current members. The company intends to secure this loan by personal guarantees of the current members and, if necessary, a mortgage on some of the real assets of the company.

The WM are entitled, under the Articles of Organization to retain a lien on their shares until they are paid in full.

PWK has purchased the interest of one WM described above. It will continue to entertain offers from WM that wish to sell their shares while the litigation is pending.

The specific method and amount of payment will be provided for in the plan that will be filed after the completion of the Litigation described hereinabove.

(K)

WHAT IMMOVEABLE PROPERTY DOES THE DEBTOR OWN?

The Debtor owns 10,700 acres of property that are fully described in the debtor's original Bankruptcy Schedules A - Real Property, which is incorporated by reference. The final determination of the value of the land, timber and mineral interests on the 10,700 acres is now in the hands of LaPorte.

(L)

IS THERE ANY RISK THAT THE PLAN MIGHT NOT SUCCEED?

The current members own 344.72 ownership units of the debtor. The WM tendered 155.2781 ownership units. The assets of the debtor exceed the claims of the WM by two thirds (69%). The company has possession of, and control over, 100% of the

assets of the company to sell, borrow against or use to earn revenue to fund this plan and pay the WM. The debtor currently has four tracts of land in Calcasieu Parish that have been listed for sale. The listing agreements, realtors, and all details of the listing process have been provided to the former members through motions filed in this court. The proceeds from the sales of these four tracts of land will be additional capital to pay the WM.

The debtor believes that it can satisfy the claims of the WM without having to sell any additional property, but it will, if necessary, market and sell other tracts of property to generate the funds to pay the claims of the WM.

The debtors real and tangible assets are free and clear from liens and mortgages. The WM retain a lien on their unit interests until they are paid. The debtor is able to sell real property to fund this plan if necessary.

(M)

ARE THERE ANY TAX EFFECTS FROM THIS PLAN?

Tax Effects for the Debtor – The Debtor has been taxed as a Sub Chapter S corporation since 2005 and is taxed through its current members. The Debtor believes that it will suffer no unexpected tax effects from this Plan. The sale of real estate, including the sale of the 87.5 acres described above, may create a capital gain tax issue for the current members. It will have no tax effect on PWK.

Tax Effects to Creditors – The Debtor does not know what the tax effect on Creditors will be and each should consult its own tax advisor.

(N)

FUTURE LITIGATION

There are several matters now pending in this court that have arisen since the original Disclosure Statement was filed. The issue of whether the WM are impaired in their claims was brought before the bankruptcy court by a contested Motion to Determine Impaired Status filed by the debtor. The WM filed proofs of claim in December 18, 2013 that were objected to by the debtor. The hearing of those objections and the hearing to determine impaired status are scheduled for October, 27, 28 and 29 in the U.S. Bankruptcy Court in Lafayette, Louisiana. It is expected that all issues related to the amount owed to the WM and their entitlement to damages and other claims asserted in their proofs of claim will be addressed and determined by the Bankruptcy Court at the October trial. The WM have reserved their right to file additional Motions to Lift Stay to remand all or portions of the various disputes back to State Court. There are no such motions pending now.

(O)

U.S. TRUSTEE

The Debtor will continue to report to the U.S. Trustee the total of all disbursements on or before the 15th of each month for the prior calendar month and all disbursements up to the date an Order is entered either granting Final Decree or dismissing the Case.

Dated: April 30, 2014

Respectfully submitted:

/s/ Gerald J. Casey
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APPROVED AS TO FORM AND CONTENT:

/s/ Samuel Y. Pruitt
BY: Samuel Y. Pruitt
Managing Member/President
of PWK TIMBERLAND, LLC