

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

In Re:

RDK TRUCK SALES AND SERVICE, INC.,  
RDK MUNICIPAL TRUCK CENTER, INC.,

Case No. 8:11-bk-01877-CED

Case No. 8:11-bk-01878-CED

Debtor.

Chapter 11 (Jointly Administered)

**JOINT DISCLOSURE STATEMENT**

**ARTICLE I**  
**INTRODUCTION**

RDK Truck Sales and Service, Inc. and RDK Municipal Truck Center, Inc. (collectively, the “Debtors”) the Debtors in the above styled Chapter 11 case, hereby provides this Joint Disclosure Statement (“Disclosure Statement”) to all of their known creditors in order to fully disclose that information deemed by the Debtors to be material, important, and necessary for its creditors to arrive at a reasonably informed decision in exercising their right to vote for acceptance of the Debtor’s Chapter 11 Plan (hereafter the “Plan”).

The United States Bankruptcy Code provides, as a general rule, that in order for a Chapter 11 Plan to be accepted, each class of the claims must accept the Plan<sup>1</sup>. A class of creditors whose rights are impaired and altered under the Plan are deemed to have accepted the Plan if two-thirds (2/3) in dollar amounts and one-half (1/2) in number of those creditors in that class holding allowed claims and who file a ballot vote for the Plan. A class of claims which is not impaired under the Plan is deemed to have accepted the Plan and need not vote.

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<sup>1</sup> This Joint Disclosure Statement must be read in conjunction with the Plan filed in each of the individual Debtor cases. The cases were procedurally consolidated by Order of the Bankruptcy Court entered on February 4, 2011 (Doc. No. 16). The cases will not be substantively consolidated either through the Plan or by a separate motion. The terms of the respective Plans are incorporated herein by reference.

### **Cramdown/Absolute Priority Rule/New Value Exception**

In the event the Plan is not accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the creditors voting in any impaired class, the Debtors, under Section 1129(b) of the Bankruptcy Code, may request the Court to confirm the Plan anyway. The Court in such a case will confirm the Plan if all requirements for confirmation set forth in the Bankruptcy Code, except acceptance by one or more classes of creditors, are met and the Court finds the Plan to be “fair and equitable” to the non-accepting class(es). This is commonly called a “cramdown.” In the event the Debtors are unable to obtain the vote of its unsecured creditor class, the Debtors may be required to overcome an objection based on the “absolute priority rule.” The absolute priority rule generally provides that a dissenting class of unsecured creditors must be provided for in full before any junior class can receive or retain any property under a plan.

The cost of distributing the Plan and this Disclosure Statement, as well as the costs, if any, of soliciting acceptances, will be borne by the Debtors as an Administrative Expense. In addition, the Debtors have retained the services of the law firm of Morse & Gomez, P.A., 119 South Dakota Avenue, Tampa, Florida 33606, in connection with the preparation of the Plan. The payment of fees, however, is contingent upon approval by the Bankruptcy Court after notice is given to all creditors and other interested parties.

**NO REPRESENTATIONS CONCERNING THE DEBTORS (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS, VALUE OF PROPERTY, OR THE VALUE OF ANY PROMISSORY NOTES, IF ANY, TO BE ISSUED UNDER THE PLAN) ARE AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS**

MADE TO SECURE YOUR ACCEPTANCE WHICH ARE OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR, WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR ACTION AS MAY BE DEEMED APPROPRIATE.

THE DEBTORS' PLAN, IF CONFIRMED, WILL BE A LEGALLY BINDING DOCUMENT. CREDITORS AND PARTIES IN INTEREST SHOULD CONSULT WITH COUNSEL TO DETERMINE WHAT EFFECT, IF ANY, THE DEBTOR'S PLAN WILL HAVE ON THEM.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO AN AUDIT. THE RECORDS KEPT BY THE DEBTOR ARE DEPENDENT UPON ACCOUNTING PERFORMED BY OTHERS. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' PRINCIPALS, HOWEVER, FOR THE FOREGOING REASONS, AS WELL AS BECAUSE OF THE COMPLEXITY OF THE DEBTORS' FINANCIAL MATTERS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THE INFORMATION CONTAINED HEREIN TO BE WITHOUT ANY INACCURACY, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE.

## **ARTICLE II**

### **BACKGROUND OF DEBTORS**

Richard D. Kemner is the owner and sole stock holder of RDK Truck Sales and Service, Inc. ("RDK Truck") and RDK Municipal Truck Center, Inc. ("RDK Municipal"). The Debtors are located at 3214 Adamo Dr., Tampa, Florida with additional offices and warehouse space

located at 5120 S. 36<sup>th</sup> Ave., Tampa, Florida. The Debtors lease the real property where their business operations are located from non-debtor affiliates, Adamo Realty Management, LLC (“Adamo”) and RDK Development, Inc (“Development”). Both properties are encumbered by mortgages and the Debtor pays rent to Adamo and Development on a triple net basis essentially as pass through payments. Mr. Kemner is also the sole owner and stock holder for Adamo and Development.

The Debtors filed voluntary petitions under Chapter 11 on February 1, 2011. On February 4, 2011 the Court entered its Order Granting Motion to Consolidate Cases for Joint Administration pursuant to Bankruptcy Rule 1015(b) (Doc. No. 16). The Debtors’ Chapter 11 cases are being jointly administered for procedural purposes only.

The Debtors’ businesses consist of providing new, used and reconditioned refuse equipment and garbage trucks including roll-off trucks, front loaders, rear loaders, side loaders, recycling trucks, cab & chassis, and grapple trucks as well as new and used refuse equipment for sale or rent. The Debtors have been actively increasing its sales in the international garbage truck industry. The Debtors also work with their customers to help them secure financing and they provide lease options for customers by providing trucks. The Debtors also specialize in assisting local and state municipalities with the new and used refuse equipment needs.

The Debtors play an active role in supporting the waste and recycling industries. The Debtors are members of several professional trade organizations including Institute of Scrap Recycling Industries, Inc., Waste Equipment Technology Association, National Solid Wastes Management Association, and regularly participates in various industry related trade shows, such as the Waste Expo.

The primary reasons for the Debtors filing their Chapter 11 Petitions stem from the Debtors' need to reorganize its financial obligations caused primarily by losses incurred by the Debtors as a result of the economic downturn that started in the Fall of 2008. Profit margins on vehicle sales range between 4-7% whereas rentals and parts and service sales have a profit margin of approximately 50%. The economic slowdown reduced the demand for refuse vehicles and, consequently, depressed the sales price of all future sales below a breakeven point for both entities. The revenue generated by the Debtors from rental and parts/service sales was not significant enough to compensate for the dramatic drop in vehicle sales. The Debtors' yearly gross sales declined in excess of 70% from 2008 to 2009. While sales increased 36.6% from 2009 to 2010, the profit margin derived was not sufficient enough to service the additional overhead and debt structure established during the previous 5 years. RDK Truck also provided substantial administrative support to its affiliate, RDK Municipal. Along with numerous lawsuits and IRS claims and audits, the limited management resources available to the Debtors were overwhelmed. The Debtors' declining sales were insufficient to cover its financial obligations thereby resulting in the filing of the Chapter 11 Petitions.

At the Petition Date, the Debtors were jointly and severally indebted to PUEFC in the amount of \$6,157,918.51, plus interest, late charges, costs and fees, including, without limitation, reasonable attorneys' fees and expenses (collectively, the "Indebtedness"). The Indebtedness of the Debtors to PUEFC is evidenced by, inter alia, (i) a Promissory Note dated July 22, 2010 in the original amount of \$6,708,847.47, executed by RDK Truck, as maker, and in favor of PUEFC, as holder, (ii) a Guaranty dated February 8, 2006, executed by RDK Municipal in favor of PUEFC, relative to the obligations owed by RDK Truck to PUEFC, including the Note, (iii) a Restructure Agreement dated July 22, 2010, executed by, among others, the Debtors, and related agreements

(collectively, the “Loan Documents”). The obligations and Indebtedness owed by the Debtors to PUEFC under the Loan Documents are secured by, among other things, a perfected first priority blanket security interest in, to and against all goods, inventory, equipment, accounts, accounts receivable, chattel paper, documents, instruments, contract rights, general intangibles, investment property, securities entitlements, fixtures and other property owned by the Debtors, respectively, and the proceeds of such collateral, substitutions, replacement parts, additions, attachments, and accessions (collectively, the "Blanket Collateral"), which include, but are not limited to, specific items of inventory and equipment (the “PUEFC Vehicles”).

Prepetition, the Debtors agreed to repay PUEFC as inventory is sold, plus monthly interest payments on the outstanding principal balance pursuant to a restructured promissory note which matured on February 1, 2011. Since the time of the filing of the Petition herein, the Debtors actively participated in negotiations with PUEFC with respect to the use of cash collateral and the amount of adequate protection required to be paid in connection with the continued use of cash collateral.

### **Cash Collateral**

On February 2, 2011 the Debtor filed its Emergency Motion for Authority to Use Cash Collateral Including Authority to Pay Non-Insider Wages (“Cash Collateral Motion”) (Doc. No. 8). The Court scheduled a preliminary hearing on the Cash Collateral Motion for February 4, 2011. At the February 4, 2011 hearing, PUEFC consented to the Debtor’s interim use of cash collateral pending further Order of the Court. As a result, the Court authorized the Debtor’s use of cash collateral and payment of non-insider salaries on an interim basis pending further order of the Court. The Court scheduled a continued preliminary hearing on the Cash Collateral Motion for March 7, 2011.

PUEFC and the Debtors engaged in lengthy negotiations regarding the terms and conditions in connection with the required monthly adequate protection due to PUEFC and the Debtors' continued use of cash collateral. PUEFC and the Debtors came to an agreement to enter into Stipulation memorializing such terms and conditions. At the March 7, 2011 hearing, PUEFC consented to the Debtor's further use of cash collateral on an interim period through April 8, 2011. The Court then scheduled a final evidentiary hearing on the Cash Collateral Motion for April 8, 2011 at 10:30AM ("Cash Collateral FEH").

### **Compromise with PUEFC**

The Debtors and PUEFC successfully negotiated a compromise and prepared and executed an Interim Stipulation and Agreement for Adequate Protection, Modification of the Automatic Stay and Compromise of Controversy ("Agreement"). On April 1, 2011 the Debtors filed a Joint Motion to Approve Compromise of Controversy (Doc. No. 83) seeking Court approval of the Agreement. As part of the compromise the Debtors and PUEFC agree that PUEFC's claim fully encumbers all of the Debtors assets and that PUEFC is oversecured.

At the Cash Collateral FEH PUEFC consented to the Debtors' further use of cash collateral pursuant to its budget for an interim period through May 3, 2011. The Court has scheduled a continued final evidentiary hearing on the Cash Collateral Motion for May 3, 2011 at 3:30PM. The Court has also scheduled a preliminary hearing on the Joint Motion to Approve Compromise for May 3, 2011 at 3:30PM.

### **ARTICLE III** **AVOIDANCE ACTIONS/LITIGATION**

The Debtor has not initiated any preference, fraudulent transfer or other actions under Subchapter III of Chapter 5 of the Bankruptcy Code. The Debtor has analyzed the possibility of avoiding and recovering, as Debtor in possession, preferential or fraudulent transfers pursuant to

Sections 544, 547, 548, and 550 of the Bankruptcy Code and applicable nonbankruptcy law. The Debtor is unaware of any preferential or fraudulent transfers either intentional or constructive, subject to avoidance and recovery by it as a Debtor in possession.

### **E-Z Pack Litigation**

Prepetition, Debtor RDK Truck was a defendant and counter plaintiff in a federal action initiated by E-Z Pack styled E-Z Pack Manufacturing, LLC vs. RDK Truck Sales & Service, Inc. and Adamo Realty Management, LLC, Case No. 8:10-cv-01870-27, in the United States District Court for the Middle District of Florida, Tampa Division (“Federal Action”). Debtor believes it has a claim seeking affirmative relief and damages against E-Z Pack.

In violation of a Confidentiality Agreement, EZ Pack hired a former employee of the Debtor, David Lance, who was the head of the Debtor’s Municipal Sales Division. The Debtor alleges that Mr. Lance usurped the Debtors’ book of business and customer contacts and is now directly competing with the Debtors. As just one example, while he was employed by the Debtor, Mr. Lance negotiated with officials with the City of Tallahassee and induced them to breach a valuable contract with the Debtor and instead, enter into a contract with EZ Pack.

It is noteworthy that EZ Pack is the Debtors’ competitor. In its schedules, both Debtors listed E-Z Pack’s claim as **disputed**. The Debtor will be filing an objection to the claim of E-Z Pack and will be seeking approval of the employment of special counsel to continue prosecuting the Debtors’ counterclaim against E-Z Pack. It is anticipated that the majority of the E-Z Pack litigation will occur post confirmation. Any recovery of damages (net of attorney’s fees and costs) against E-Z Pack shall be utilized by Debtor to fund its plan obligations on a seventy percent (70%), thirty percent (30%) basis. Seventy percent (70%) of the net recovery shall be utilized by the Debtor to fund its Plan related obligations in accordance with the priorities set



forth in the Bankruptcy Code and under the Plan. Thirty percent (30%) of the net litigation recovery may be utilized by the Debtor to fund future operations, including, but not limited to, future capital purchases.

In the event that the E-Z Pack litigation does not result in a recovery or if E-Z Pack is entitled to a claim, E-Z Pack's allowed unsecured claim shall be paid pursuant to the treatment set forth in Class 8 of general Unsecured Creditors.

### **Truck & Parts of Tampa Litigation**

Additionally, RDK Truck was a Plaintiff with respect to State Court litigation pending in the Thirteenth Judicial Circuit in and for Hillsborough County, Florida Case No. 10-CA-022026 titled RDK Truck Sales & Service, Inc. vs. Truck & Parts of Tampa, Inc. The Debtors will be seeking approval of the employment of special counsel to continue prosecuting the Debtors' claim against Truck & Parts of Tampa, Inc.

## **ARTICLE IV** **CLASSIFICATION OF CLAIMS AND INTERESTS**

The Debtors have filed their Joint Disclosure Statement because each of the Debtor cases are affiliates and are interrelated. For the most part, the claims and creditors of each Debtor are the same. For instance, PUEFC Notes are cross collateralized and cross defaulted. As a result, the Debtor(s) have sought procedural consolidation. The Debtor(s) have filed individual Plans, all of which are incorporated herein by reference.

### **4.1 Classification of Claims and Interests.**

#### **(a) Classification.**

(1) **General.** Article II of the Plan sets forth the designation of Classes of Claims and Interests. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of the Class and is classified in a different

Class to the extent the Claim or Interest qualifies within the description of that different Class.

(2) Unclassified Claims. In accordance with §1123(a) of the Bankruptcy Code a Plan must place into classes all of the claims against an interest in the Debtor, the only exceptions being Administrative Claims, Involuntary Gap Claims (if any) and Priority Tax Claims, none of which vote on the Plan. These claims, which are excluded from classification, are treated elsewhere in Chapter 11.

4.2 Classes. For the purposes of the Plan, the Claims against, or Interests in, the Debtor are grouped in the following Classes in accordance with §1122(a) of the Bankruptcy Code:

(a) **RDK Truck Sales and Service, Inc. Claims and Interests**

1. Class 1 (Impaired) consists of the secured claim of People's United Equipment Finance Corporation ("PUEFC") whose claim totals approximately \$6,157,918.51, which debt is secured against substantially all of the Debtor's assets, including, but not limited to, the Debtor's accounts receivable, cash, inventory, furniture, fixtures and equipment. As part of the compromise the Debtors and PUEFC agree that PUEFC's claim fully encumbers all of the Debtors assets and that PUEFC is oversecured. Please see treatment of Class 1 under Article II of the RDK Truck's Plan of Reorganization.

2. Class 2 (Unimpaired) consists of the secured claim of Bay Cities Bank ("Bay Cities") whose claim totals approximately \$2,176,979.86. Bay Cities appears to be fully secured with respect to certain real estate collateral held by the Debtor's affiliates, Adamo Realty Management, LLC ("Adamo") and RDK Development, Inc. ("Development") who own the real property which the Debtor utilizes in its business operations. Bay Cities appears to have a blanket lien against substantially all assets of the Debtor based upon the filing of a UCC1, but

that claim as it relates to cash collateral is junior and inferior to the lien of PUEFC and is undersecured. Please see treatment of Class 2 under Article II of the RDK Truck's Plan of Reorganization.

3. Class 3 (Impaired) consists of the alleged secured claim of the E-Z Pack Holdings, LLC ("E-Z Pack") in the approximate amount of \$2,260,166.08. The debt appears to be secured by virtue of a UCC1 that encumbers all refuse truck bodies manufactured by E-Z Pack. The Debtor asserts that it has paid off its obligations owed to E-Z Pack and disputes any amounts claimed by E-Z Pack. To the extent that E-Z Pack has a lien on cash collateral, that lien is junior and inferior to PUEFC and Bay Cities and is wholly undersecured. Please see treatment of Class 3 under Article II of the RDK Truck's Plan of Reorganization.

4. Class 4 (Impaired) consists of the priority unsecured claim of the Florida Department of Revenue in the approximate amount of \$5,831.24 for unpaid unemployment taxes. Please see treatment of Class 4 under Article II of the RDK Truck's Plan of Reorganization.

5. Class 5 (Impaired) consists of the priority unsecured claim of the Florida Department of Revenue in the approximate amount of \$19,014.32 for unpaid solid waste fees and sales and use taxes. Please see treatment of Class 5 under Article II of the RDK Truck's Plan of Reorganization.

6. Class 6 (Impaired) consists of the priority unsecured claim of the Internal Revenue Service in the amount of \$232,867.97 for unpaid excise taxes, corporate income taxes and employment taxes for tax periods 2008 and 2009. Please see treatment of Class 6 under Article II of the RDK Truck's Plan of Reorganization.

7. Class 7 (Impaired) consists of the claims of the Texas Comptroller of Public Accounts for unpaid franchise taxes in the amount of \$1,123.17 and the Alabama Department of Revenue for business income tax and business privilege tax. Please see treatment of Class 7 under Article II of the RDK Truck's Plan of Reorganization.

8. Class 8 (Impaired) consists of the claims of General Unsecured Creditors. The Debtor estimates that the total amount due to the claims of Class 8 is approximately \$3,707,196.87, which amount does not include any disputed claims or insider claims. Please see treatment of Class 8 under Article II of the RDK Truck's Plan of Reorganization.

9. Class 9 (Unimpaired) consists of the membership interest ("Equity Interest") of the Debtor which is held by solely by Richard D. Kemner. Please see treatment of Class 9 under Article II of the RDK Truck's Plan of Reorganization.

(b) **RDK Municipal Truck Center, Inc. Claims and Interests**

1. Class 1 (Impaired) consists of the secured claim of People's United Equipment Finance Corporation ("PUEFC") whose claim totals approximately \$6,157,918.51, which debt appears to be secured against substantially all of the Debtor's assets, including, but not limited to, the Debtor's accounts receivable, cash, inventory, furniture, fixtures and equipment. As part of the compromise the Debtors and PUEFC agree that PUEFC's claim fully encumbers all of the Debtors assets and that PUEFC is oversecured. Please see treatment of Class 1 under Article II of the RDK Municipal's Plan of Reorganization.

2. Class 2 (Unimpaired) consists of the secured claim of Bay Cities Bank ("Bay Cities") whose claim totals approximately \$2,176,979.86. Bay Cities appears to be fully secured with respect to certain real estate collateral held by the Debtor's affiliates, Adamo Realty Management, LLC ("Adamo") and RDK Development, Inc. ("Development") who own the real

property which the Debtor utilizes in its business operations. Bay Cities appears to have a blanket lien against substantially all assets of the Debtor based upon the filing of a UCC1, but that claim as it relates to cash collateral is junior and inferior to the lien of PUEFC and is undersecured. Please see treatment of Class 2 under Article II of the RDK Municipal's Plan of Reorganization.

3. Class 3 (Impaired) consists of the secured claim in the amount of \$140,587.44 and the priority unsecured claim in the amount of \$69,104.17 of the Internal Revenue Service ("IRS") for a total amount of \$209,691.61 for unpaid excise taxes, corporate income taxes and employment taxes for tax periods 2007, 2010 and 2011. Please see treatment of Class 3 under Article II of the RDK Municipal's Plan of Reorganization.

4. Class 4 (Impaired) consists of the claims of General Unsecured Creditors. The Debtor estimates that the total amount due to the claims of Class 4 is approximately \$701,200.68, which amount does not include any disputed claims or insider claims. Please see treatment of Class 4 under Article II of the RDK Municipal's Plan of Reorganization.

5. Class 5 (Unimpaired) consists of the membership interest ("Equity Interest") of the Debtor which is held solely by Richard D. Kemner. Please see treatment of Class 5 under Article II of the RDK Municipal's Plan of Reorganization.

4.3 Classes of Claims Not Impaired by the Plan. Administrative Claims are not impaired by the Plan. Under §1126(f) of the Bankruptcy Code, the holders of those Claims are presumed conclusively to have voted to accept the Plan and, therefore, the votes of those holders shall not be solicited. It is estimated that the estimated administrative fees and costs shall be approximately \$30,000.00 (after payment of any interim fees).

4.4 Classes of Claims Impaired by the Plan. RDK Truck Classes 1 and 3 through 8 claims are impaired under the Plan. RDK Municipal Classes 1, 3, and 4 5 claims are impaired by the Plan.

4.5 Treatment of Allowed Claims and Allowed Interests.

(a) General. The Allowed Claims and Allowed Interests, as classified in Article II of the Plan, shall be satisfied in the manner set forth in Article II of the Plan. The treatment of, and the consideration to be received by, holders of Allowed Claims and holders of Allowed Interests pursuant to the Plan shall be in full satisfaction, settlement, release, extinguishment and discharge of their respective Allowed Claims and Allowed Interests.

In order to avoid the cost and inconvenience of issuing small denomination checks, any prorated monthly payment that does not equal at least two hundred fifty (\$250) dollars may be accrued and not paid until the prorated amount equals at least two hundred fifty (\$250) dollars. Unsecured creditors will not receive a promissory note and no interest will accrue. The terms of the Debtor's Plan will bind the parties and control the Debtor/creditor relationship between the parties.

(b) Administrative Claims. Each holder of an Allowed Administrative Claim (except any such holder that agrees to different treatment) shall receive the Allowed Amount of such holder's Allowed Administrative Claim, in Cash, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the Effective Date; provided, however, that Allowed Administrative Claims representing (a) post-petition liabilities incurred in the ordinary course of business by the Debtor and (b) post-petition contractual liabilities arising under loans or advances to the Debtor, whether or not incurred in the ordinary course of business, shall be paid by the Debtor in accordance with the terms and conditions of the particular transactions

relating to such liabilities and any agreements relating thereto. Administrative claims are estimated to be approximately \$30,000.00 (after payment of any interim fees).

(c) Priority Tax Claims--Other than ad valorem real property. Each holder of an Allowed Priority Claim (except any such holder that agrees to different treatment) shall receive the Allowed Amount of such holder's Allowed Priority Claim, in Cash, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the Effective Date. The obligations under this Section with respect of any Allowed Priority Claim that is secured by a valid, perfected and enforceable Lien shall be collateralized by a continuation of the Lien underlying such Claim and such obligation shall be and become due and payable upon the sale or other disposition of the collateral therefore. This includes any sales tax and employment tax claims, if any. Except has provided for herein, the Debtor does not believe any amounts are owed.

(d) Consolidated Debtors Set Off Rights. For the purposes of distribution and as part of confirmation, the Debtors shall have the right to withhold payments to any creditor who has been determined to owe money to the Debtor as part of the litigation which is disclosed herein. For instance, RDK Truck has an affirmative claim against E-Z Pack in the approximate amount of \$126,028.95 for E-Z Pack's failure to pay for equipment and parts purchased from RDK Truck between March 2009 and June 2010, among other damages. For instance, in the event that RDK Truck is successful in the litigation against E-Z Pack, distribution under the Plan may be offset or otherwise deducted, in the event it is determined that amounts are owed to E-Z Pack or any other creditor that owes outstanding claims to the Debtors.

**ARTICLE V**  
**TREATMENT OF EXECUTORY CONTRACTS AND**  
**UNEXPIRED LEASES AND RELEASE AND DISCHARGE**

5.1 Executory Contracts and Unexpired Leases: All executory contracts or unexpired leases; with the exception of ordinary course agreements and contracts (such as rental agreements and leases for the executive suites) that have not been assumed and/or assigned by an Order of the Bankruptcy Court or that are not to be expressly assumed under the Debtor's Plan shall be deemed Rejected Contracts as of the Effective Date. Ordinary course agreements, purchase orders and other similar agreements shall be deemed assumed as part of the Debtor(s) confirmed Plan.

5.2 Release and Discharge: The rights afforded to the holders of Claims by and in this Plan shall be in exchange for and in complete release, satisfaction, and discharge, to the fullest extent permitted by applicable law, of all claims of any nature whatsoever against the Debtor. This release and discharge shall be effective as of the Effective Date.

**ARTICLE VI**  
**PRESENT OPERATIONS AND POST CONFIRMATION OPERATIONS**

The Debtors are presently operating as a Debtor-in-Possession ("DIP") and propose this Joint Disclosure Statement and Plan to restructure their financial affairs and continue operating. Richard D. Kemner is the owner and sole stock holder of RDK Truck Sales and Service, Inc. ("RDK Truck") and RDK Municipal Truck Center, Inc. ("RDK Municipal"). The Debtors are located at 3214 Adamo Dr., Tampa, Florida with additional offices and warehouse space located at 5120 S. 36<sup>th</sup> Ave., Tampa, Florida. More detailed information is set forth in the "Bankruptcy Schedules" and "Case Management Summary" filed by RDK Truck and RDK Municipal, which are filed with the Bankruptcy Court and are a matter of record.



Post confirmation the Debtors intend on continuing operations as separate and independent legal entities. RDK Municipal and RDK Truck each have a valuable business relationships, goodwill and contracts which will be utilized post confirmation to satisfy each of the Debtors respective Plan obligations.

## **ARTICLE VII**

### **THE REORGANIZED DEBTOR**

Following confirmation, Richard D. Kemner will continue to serve the Debtors' President and Director and will continue to receive compensation as set forth below and in the proformas attached hereto as an Exhibit.

The Debtor has filed a Motion to Set Officer's Salary (Doc. No. 14) requesting the Court's authorization to pay Mr. Kemner the gross weekly amount of \$3,172.50 and life and medical insurance in the monthly amount of \$1,053.10 as compensation for his services as the Debtor's President and Director. During the pendency of the case, the Court has authorized the Debtor to pay its officer as described herein on an interim basis through May 3, 2011. The court has scheduled a continued preliminary hearing on the Debtor's Motion for Authority to Pay Officer's Salary on May 3, 2011 at 3:30PM.

## **ARTICLE VIII**

### **DEBTOR'S EFFORTS TO FACILITATE REORGANIZATON**

The Debtor(s) have filed a Chapter 11 in order to restructure its financial affairs. The Debtors and their largest creditor, PUEFC, have finally and fully settled their dispute and have reached an Agreement. The Debtors' Joint Disclosure Statement assumes that the Court approves the Agreement. In the event the Court does not approve the Agreement, the Debtor(s) will request leave to file either a supplement to its Plans or amended Plans.

## **ARTICLE IX**

### **LIQUIDATION ANALYSIS**

A Chapter 11 plan cannot be confirmed unless the Bankruptcy Court finds that the plan is in the “best interests” of creditors and equity holders, taking into account the liquidation value of the debtor. In applying the “best interests” test of § 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court would ascertain the hypothetical recoveries in a Chapter 7 liquidation to secured creditors, priority claimants, general unsecured creditors and equity holders. These hypothetical Chapter 7 liquidation recoveries would then be compared to the distributions offered to each class of claims or interests under the proposed Chapter 11 plan to determine if the plan satisfies the “best interests” test as set forth in § 1129(a)(7) of the Bankruptcy Code. A liquidation analysis is attached hereto as Exhibit “A” and by reference incorporated herein.

Other Alternatives to the Plan. If the Plan is not confirmed, the Debtor or any other party in interest could attempt to formulate a different Chapter 11 plan upon the expiration of the Debtors’ exclusivity period. In addition, the Debtors cases can be dismissed or converted to a Chapter 7 liquidation case.

THE DEBTOR BELIEVES THAT THE CONFIRMATION AND IMPLEMENTATION OF THE PLAN IS PREFERABLE TO THE CHAPTER 7 LIQUIDATION ALTERNATIVE BECAUSE THE PLAN SHOULD PROVIDE GREATER RECOVERIES THAN THOSE AVAILABLE IN A CHAPTER 7 LIQUIDATION. FOR INSTANCE, IN ADDITION TO THE PAYMENTS MADE PURSUANT TO THE PLANS, THE ONGOING OPERATIONS OF THE DEBTORS POST CONFIRMATION WILL RESULT IN FUTURE REVENUE FOR MANY OF THE DEBTORS’ CREDITORS WHO HAVE MAINTAINED AND CONTINUE TO CONDUCT BUSINESS WITH THE DEBTORS TYPICALLY ON A C.O.D. BASIS.

**ARTICLE X**  
**INCOME AND EXPENSE STATEMENT SINCE FILING PETITION**

See attached Exhibit “B”.

**ARTICLE XI**  
**PROJECTED INCOME AND EXPENSES FOR LIFE OF PLAN**

See attached Exhibit “C”.

**ARTICLE XII**  
**SUMMARY OF PLAN OF REORGANIZATION**

Since this is not a “mega” Chapter 11 case, the Debtors’ Plans are short enough wherein a summary of the Plan of Reorganization would not be helpful in the opinion of the Debtors.

**ARTICLE XIII**  
**MEANS OF EXECUTION OF THE PLAN**

The Debtor’s Plan shall be funded from the continued operation of the Debtors’ businesses and any recovery the Debtors realize from the litigation as described herein. For instance, any recovery of damages (net of attorney’s fees and costs) against E-Z Pack shall be utilized by Debtor to fund its plan obligations on a seventy percent (70%), thirty percent (30%) basis. Seventy percent (70%) of the net recovery shall be utilized by the Debtor to fund its Plan related obligations in accordance with the priorities set forth in the Bankruptcy Code and under the Plan. Thirty percent (30%) of the net litigation recovery may be utilized by the Debtor to fund future operations, including, but not limited to, future capital purchases.

**ARTICLE XIV**  
**EFFECTIVE DATE**

The effective date of the Plan(s) shall be sixty (60) days after confirmation of the Plan(s). Debtor shall continue adequate protection payments, if any, or payments approved by the Court to all secured creditors until the effective date of the Plan.

**ARTICLE XV**  
**CRAM DOWN**

If Debtor does not initially obtain sufficient votes to approve the Plan of Reorganization, Debtor will attempt to obtain a cram down of the Plan of Reorganization. See § 1129(b) of the Bankruptcy Code.

**ARTICLE XVI**  
**RETENTION OF LIENS**

All secured creditors shall retain their liens on their respective collateral until their secured claims are paid in full. All notes, mortgages, security agreements shall remain in full force and effect except as modified by the Plan.

**ARTICLE XVII**  
**RETENTION OF JURISDICTION**

The Bankruptcy Court will retain jurisdiction as provided for by the Bankruptcy Code and other applicable law. The Bankruptcy Court will retain Jurisdiction to determine all issues related to (a) the Debtor's Plan including enforcement of any plan default (b) the Agreement with PUEFC and (c) any litigation initiated by the Debtor.

**ARTICLE XVIII**  
**NO LIABILITY FOR TAX CLAIMS**

Unless a taxing Governmental Authority has asserted a Claim against the Debtor before the Bar Date or Administrative Expense Claims Bar Date established therefore, no Claim of such Governmental Authority shall be allowed against the Debtor or the Reorganized Debtor or their respective members, officers or agents for taxes, penalties, interest, additions to tax or other

charges arising out of (i) the failure, if any, of the Debtor, any of its affiliates, or any other person or entity to have paid tax or to have filed any tax return (including any income tax return or franchise tax return) in or for any prior year or period, or (ii) an audit of any return for a period before the Petition Date.

## **ARTICLE XIX** **TAX CONSIDERATIONS**

### **A. General**

A summary description of certain U.S. federal income tax consequences of the Plan is provided below. The description of tax consequences below is for informational purposes only and is subject to significant uncertainties. Only the principal consequences of the Plan for the Debtor and for the holders of Allowed Claims and Equity Interests who are entitled to vote to accept or reject the Plan are described below. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan, and no tax opinion is being given in this Disclosure Statement. No rulings or determinations of the IRS or any other taxing authorities have been obtained or sought with respect to the Plan, and the description below is not binding upon the IRS or such other authorities.

The following discussion of U.S. federal income tax consequences is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), regulations promulgated and proposed thereunder, and judicial decisions and administrative rulings and pronouncements of the IRS as in effect on the date hereof. Legislative, judicial or administrative changes or interpretations enacted or promulgated in the future could alter or modify the analyses and conclusions set forth below. It cannot be predicted at this time whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained therein would affect the tax consequences to Holders. Any such changes or interpretations may be retroactive and could

significantly affect the U.S. federal tax consequences of the Plan to special classes of taxpayers (such as foreign entities, nonresident alien individuals, Pass-through entities such as partnerships and holders through such pass-through entities, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, certain securities traders, broker-dealers and tax-exempt organizations). Furthermore, estate and gift tax issues are not addressed herein and tax consequences relating to the alternative minimum tax are generally not discussed herein.

No representations are made regarding the particular tax consequences of the Plan to any Holder of a Claim or Equity Interest. Each Holder of a claim or Equity Interest is strongly urged to consult its own tax advisor regarding the federal, state, local and foreign tax consequences of the transactions described herein and in the Plan.

#### **B. Federal Income Tax Consequences to the Debtors.**

Generally, the discharge of a debt obligation by a debtor for an amount less than the adjusted issues price (in most cases, the amount the debtor received on incurring the obligation with certain adjustments) gives rise to cancellation of a debt (“COD”) income, which must be included in the debtor’s income. The Debtors should have COD income as a result of the Plan; the Debtors should, however, be able to utilize a special tax provision which excludes from taxable income debts discharged in a chapter 11 case. If debts are discharged in a chapter 11 case, however, certain tax attributes otherwise available must be reduced by the amount of COD income that is excludable from income. Tax attributes subject to reduction generally include net operating losses and net operating loss carryovers (collectively, “NOLs”). Any NOLs would be reduced (assuming the Debtors do not make an election pursuant to section 108(b)(5) of the

Internal Revenue Code (title 26 of the United States Code) to first reduce the tax basis of depreciable property) to the extent of the COD income exclusions.

Federal income taxes generally must be satisfied before most other claims may be paid. To the extent the Debtors have taxable income after the Effective Date the Debtors may have NOLs to offset such income.

### **C. Federal Income Tax Consequences to Creditors and Interestholders**

Creditors should generally recognize gain (or loss) to the extent the amount realized under the Plan (generally the amount of cash received) in respect of their Claims Exceeds (or is exceeded by) their respective tax bases in their Claims. The tax treatment of holders of Claims and the character and mount of income, gain or loss recognized as a consequence of the Plan and the distributions provided for by the Plan will depend upon, amount other things, (i) the nature and origin of the Claim, (ii) the manner in which a Creditor acquired a Claim, (iii) the length of time a Claim has been held, (iv) whether the Claim was acquired at a discount, (v) whether the Creditor has taken a bad debt deduction in the current or prior years, (vi) whether the Creditor has previously included in income accrued but unpaid interest with respect to a Claim, (vii) the method of tax accounting of a Creditor; and (viii) whether a Claim is an installment obligation for U.S. federal income tax purposes. Therefore, Creditors should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequence to such Creditors as a result thereof.

The tax treatment of a Creditor that receives distributions in different taxable years is uncertain. If such a Creditor treats the transaction as closed in the taxable year that it first receives (or is deemed to have received) a distribution of cash and/or other property, it should recognize gain or loss for such tax year in an amount equal to the cash and the value of other

property actually (and deemed) received in such tax year (other than that received in respect of accrued interest) with respect to its Claim (other than any portion of the Claim that is attributable to accrued interest) plus the estimated value of future distributions (if any) less its tax basis in its Claim (except to the extent its Claim is for accrued interest). A Creditor should then subsequently recognize additional income or loss when additional property distributions are actually received in an amount equal to the cash and/or value of such other property (other than that received in respect of accrued interest) less the Creditor's allocable tax basis in its Claim with respect to such subsequent distribution. A creditor may have to treat a portion of any such subsequent distribution as imputed interest recognizable as ordinary income in accordance with the Creditor's method of tax accounting. If instead the open transaction doctrine applies as a result of the value of the subsequent distributions that a Creditor may receive not being ascertainable on the Effective Date, such Creditor should not recognize gain (except to the extent that the value of the cash and/or other property already received exceeds such Creditor's adjusted tax basis in its Claim (other than any Claim for accrued interest)) or loss with respect to its Claim until it receives the final distribution thereon (which may not be until the final distribution date). It is the position of the IRS that the open transaction doctrine only applies in rare and extraordinary cases. Creditors are urged to consult their own tax advisors regarding the application of the open transaction doctrine and how it may apply to their particular situations, whether any gain recognition may be deferred under the installment method, whether any loss may be disallowed or deferred under the related party rules and the tax treatment of amounts that certain Creditors may be treated as paying to other Creditors.

Holders of Allowed Claims will be treated as receiving a payment of interest (in addition to any imputed interest as discussed in the preceding paragraph) includible in income in



accordance with the Holder's method of accounting for tax purposes, to the extent that any Cash and/or other property received pursuant to the Plan is attributable to accrued but unpaid interest, if any, on such Allowed Claims. The extent to which the receipt of Cash and/or other property should be attributable to accrued but unpaid interest is unclear. The Plan provides that such Cash and/or other property distributed pursuant to the Plan is attributable to accrued but unpaid interest, if any, on such Allowed Claims. The extent to which the receipt of Cash and/or other property should be attributable to accrued but unpaid interest is unclear. The Plan provides that such Cash and/or other property distributed pursuant to the Plan will first be allocable to the principal amount of an Allowed Claim and then, to the extent necessary, to any accrued but unpaid interest thereon. Each Creditor should consult its own tax advisor regarding the determination of the amount of consideration received under the Plan that is attributable to interest (if any) and whether any such interest may be considered to be foreign source income. A Creditor generally will be entitled to recognize a loss to the extent any accrued interest was previously included in its gross income and is not paid in full.

**D. Holders of Allowed Equity Interests**

The Holders of Allowed Equity Interests in the Debtors are urged to consult with their tax advisors with respect to the tax consequences under the Plan. The Holders of Allowed Equity Interests and their advisors may wish to consider, among any other relevant considerations, the extent to which the Holder of an Allowed Equity Interest may be entitled to a bad debt deduction or a worthless security loss in respect of the cancellation of its shares of the Debtors' common stock under the Plan.

#### **E. Holders of Disputed Claims**

Though not beyond doubt, Holders of Disputed Claims should not recognize any gain or loss on the date that Cash is transferred to the Disputed Claims Reserve, but should recognize gain or loss in an amount equal to: (i) the amount of Cash and the fair market value of any other property actually distributed to such claimants (other than any amounts attributable to accrued and unpaid interest) less (ii) the adjusted tax basis of their Claims (other than for accrued and unpaid interest). Holders of Disputed Claims are urged to consult their own tax advisors regarding the taxation of their Disputed Claims and the timing and amount of income or loss recognized relating to the Disputed Claims Reserve.

#### **F. Information Reporting and Backup Withholding**

Certain payments, including payments of Allowed Claims pursuant to the Plan, are generally subject to information reporting by the payor to the IRS. Moreover, such reportable payments are subject to backup withholding under certain circumstances. Under the backup withholding rules, a Holder of a Claim may be subject to backup withholding at the applicable tax rate with respect to distributions or payments made pursuant to the Plan, unless the Holder: (i) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (ii) provides a correct taxpayer identification number and certifies under penalty of perjury as to the correctness of its taxpayer identification number and certain other tax matters. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of federal income taxes, a Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS.

**G. Importance of Obtaining Professional Tax Assistance**

**THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES OF THE PLAN ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CREDITOR'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.**

**ARTICLE XX  
AMOUNT OF CLAIMS**

The amount of claims provided for in the Plan are for informational purposes only and do not bind the parties. The amount of the claim to be paid to each creditor shall be determined by the Debtor's Schedules and Proofs of Claim filed by each individual Creditor, if not objected to or disallowed by Court Order.

Dated this 29<sup>th</sup> day of April, 2011.

RDK Truck Sales and Service, Inc.  
RDK Municipal Truck Center, Inc.

By: /s/ Richard D. Kemner  
Richard D. Kemner, President

### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing **DISCLOSURE STATEMENT** has been furnished either by the Court's CM/ECF system or by regular U. S. Mail to the **Office of the U.S. States Trustee**, 501 E. Polk St., Ste. 1200, Tampa, FL 33602; **Florida Department of Revenue**, PO Box 6668, Tallahassee, FL 32413; **Jim Zingale**, Executive Director, Florida Department of Revenue, 501 S. Calhoun St., Room 104, Tallahassee, FL 32399; **Gordon Keister, Esq.**, PO Box 2299, Mango, FL 33550 and **RDK Truck Sales & Service, Inc.**, attn: Richard Kemner, 3214 Adamo Dr., Tampa, FL 33605 on this 29<sup>th</sup> day of April, 2011.

MORSE & GOMEZ, PA

/s/ Alberto F. Gomez, Jr. \_\_\_\_\_  
ALBERTO F. GOMEZ, JR.  
Florida Bar No. 784486  
MORSE & GOMEZ, PA  
119 South Dakota Avenue  
Tampa, Florida 33606-1813  
Telephone: (813) 301-1000  
Telecopier: (813) 301-1001  
Counsel for Debtors

Exhibit “A”

# RDK Truck Sales and Service, Inc & RDK Municipal Truck Center, Inc.

## SUMMARY OF ASSETS AND LIABILITIES

As of 2/1/11

ASSETS	LIQUIDATION VALUE	REORGANIZATION PLAN
Cash in Banks	\$ 134,849.09	\$ 134,849.09
Accounts Receivable (Collectable)	\$ 180,151.18	\$ 360,302.35
Auto	\$ 50,000.00	\$ 74,900.00
Inventory	\$ 4,470,551.99	\$ 6,700,605.98
<u>Office Furniture Equipment &amp; Machines</u>	\$ 72,600.00	\$ 145,200.00
<b>Total</b>	<b>\$ 4,908,152.26</b>	<b>\$ 7,415,857.42</b>
<b>PROFESSIONAL MISC</b>		
Morse & Gomez, Attorneys at Law (after payment of interim fees)	\$ 30,000.00	\$ 30,000.00
Misc. Professional fees	\$ 10,000.00	\$ 10,000.00
<u>Misc. Accounts Payable</u>	<u>\$ 784,983.91</u>	<u>\$ 784,983.91</u>
<b>Total</b>	<b>\$ 824,983.91</b>	<b>\$ 824,983.91</b>
<b>Total Unsecured Claims</b>	<b>\$ 4,408,397.55</b>	<b>\$3,673.66 Total Monthly Unsecured</b>
<b>TOTAL DIST TO UNSECURED CLAIMS</b>	<b>\$0.00</b>	<b>\$220,419.60 5.00%*</b>

\* Plus any recovery from E-Z Pack litigation based on a 70%, 30% split as set forth in the Plan.

## **Exhibit “B”**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING FEBRUARY 1 AND ENDING FEBRUARY 28**

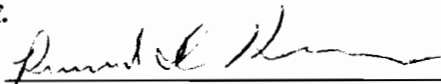
Name of Debtor: RDK Truck Sales & Service, Inc.  
 Date of Petition: FEBRUARY 1, 2011

Case Number 8:11-bk-01877 CED

	<u>CURRENT MONTH</u>	<u>CUMULATIVE PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<b><u>134,722.09</u></b> (a)	<b><u>134,722.09</u></b> (b)
<b>2. RECEIPTS:</b>		
A. Cash Sales	<u>\$323,654.72</u>	<u>\$323,654.72</u>
Minus: Cash Refunds	<u>(-)</u>	
Net Cash Sales	<u>\$323,569.22</u>	<u>\$323,569.22</u>
B. Accounts Receivable	<u>\$35,098.58</u>	<u>\$35,098.58</u>
C. Other Receipts ( <i>See MOR-3</i> )	<u>8,309.13</u>	<u>8,309.13</u>
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (<i>Lines 2A+2B+2C</i>)</b>	<b><u>\$367,062.43</u></b>	<b><u>\$367,062.43</u></b>
<b>4. TOTAL FUNDS AVAILABLE FOR     OPERATIONS (<i>Line 1 + Line 3</i>)</b>	<b><u>\$501,784.52</u></b>	<b><u>\$501,784.52</u></b>
<b>5. DISBURSEMENTS</b>		
A. Advertising	<u>5,097.00</u>	<u>5,097.00</u>
B. Bank Charges	<u>1,627.09</u>	<u>1,627.09</u>
C. Contract Labor		
D. Fixed Asset Payments (not incl. in "N")		
E. Insurance	<u>9,794.20</u>	<u>9,794.20</u>
F. Inventory Payments ( <i>See Attach. 2</i> )		
G. Leases		
H. Manufacturing Supplies		
I. Office Supplies	<u>1,961.60</u>	<u>1,961.60</u>
J. Payroll - Net ( <i>See Attachment 4B</i> )	<u>72,478.31</u>	<u>72,478.31</u>
K. Professional Fees (Accounting & Legal)		
L. Rent	<u>7,250.00</u>	<u>7,250.00</u>
M. Repairs & Maintenance		
N. Secured Creditor Payments ( <i>See Attach. 2</i> )	<u>20,000.00</u>	<u>20,000.00</u>
O. Taxes Paid - Payroll ( <i>See Attachment 4C</i> )	<u>14,404.72</u>	<u>14,404.72</u>
P. Taxes Paid - Sales & Use ( <i>See Attachment 4C</i> )		
Q. Taxes Paid - Other ( <i>See Attachment 4C</i> )		
R. Telephone	<u>2,568.09</u>	<u>2,568.09</u>
S. Travel & Entertainment	<u>438.90</u>	<u>438.90</u>
Y. U.S. Trustee Quarterly Fees		
U. Utilities	<u>3,640.55</u>	<u>3,640.55</u>
V. Vehicle Expenses		
W. Other Operating Expenses ( <i>See MOR-3</i> )	<u>247,082.50</u>	<u>247,082.50</u>
<b>6. TOTAL DISBURSEMENTS (<i>Sum of 5A thru W</i>)</b>	<b><u>386,425.43</u></b>	<b><u>386,426.43</u></b>
<b>7. ENDING BALANCE (<i>Line 4 Minus Line 6</i>)</b>	<b><u>115,359.11</u></b> (c)	<b><u>115,359.11</u></b> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 7 day of April, 2011.

  
 (Signature)

- (a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.
- (b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.
- (c) These two amounts will always be the same if form is completed correctly.



**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING FEBRUARY 1 AND ENDING FEBRUARY 28**

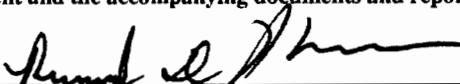
Name of Debtor: RDK MUNICIPAL TRUCK CENTER, INC.  
 Date of Petition: FEBRUARY 1, 2011

Case Number 8:11-bk-01878-CED

	CURRENT MONTH	CUMULATIVE PETITION TO DATE
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<u>127.00</u> (a)	<u>127.00</u> (b)
<b>2. RECEIPTS:</b>		
A. Cash Sales		
Minus: Cash Refunds	<u>(-)</u>	
Net Cash Sales		
B. Accounts Receivable		
C. Other Receipts (See MOR-3)	<u>211.83</u>	<u>211.83</u>
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<u>211.83</u>	<u>211.83</u>
<b>4. TOTAL FUNDS AVAILABLE FOR     OPERATIONS (Line 1 + Line 3)</b>	<u>338.83</u>	<u>338.83</u>
<b>5. DISBURSEMENTS</b>		
A. Advertising		
B. Bank Charges		
C. Contract Labor		
D. Fixed Asset Payments (not incl. in "N")		
E. Insurance		
F. Inventory Payments (See Attach. 2)		
G. Leases		
H. Manufacturing Supplies		
I. Office Supplies	<u>186.83</u>	<u>186.83</u>
J. Payroll - Net (See Attachment 4B)		
K. Professional Fees (Accounting & Legal)		
L. Rent		
M. Repairs & Maintenance		
N. Secured Creditor Payments (See Attach. 2)		
O. Taxes Paid - Payroll (See Attachment 4C)		
P. Taxes Paid - Sales & Use (See Attachment 4C)		
Q. Taxes Paid - Other (See Attachment 4C)		
R. Telephone		
S. Travel & Entertainment		
Y. U.S. Trustee Quarterly Fees		
U. Utilities		
V. Vehicle Expenses		
W. Other Operating Expenses (See MOR-3)	<u>150.00</u>	<u>150.00</u>
<b>6. TOTAL DISBURSEMENTS (Sum of 5A thru W)</b>		
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<u>2.00</u> (c)	<u>2.00</u> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 15<sup>th</sup> day of April, 2011.

  
 (Signature)

- (a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.
- (b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.
- (c) These two amounts will always be the same if form is completed correctly.

## **Exhibit “C”**

**RDK TRUCK SALES AND SERVICE, INC. & RDK MUNICIPAL TRUCK CENTER, INC.**  
**CONSOLIDATED PROJECTED BUDGET**  
**1st Fiscal Year**

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
<b>Revenue</b>													
Truck Sales	950,000	900,000	850,000	800,000	800,000	800,000	800,000	1,250,000	1,000,000	950,000	950,000	950,000	11,000,000
Parts & Service	100,000	100,000	125,000	100,000	100,000	125,000	125,000	125,000	125,000	125,000	125,000	100,000	1,375,000
Truck Leasing	110,000	100,000	100,000	150,000	100,000	100,000	125,000	100,000	100,000	125,000	125,000	100,000	1,335,000
<b>Total Sales</b>	<b>1,160,000</b>	<b>1,100,000</b>	<b>1,075,000</b>	<b>1,050,000</b>	<b>1,000,000</b>	<b>1,025,000</b>	<b>1,050,000</b>	<b>1,475,000</b>	<b>1,225,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,150,000</b>	<b>13,710,000</b>
<b>COGS</b>													
Truck Sales COGS	838,636	798,182	772,727	727,273	727,273	727,273	727,273	1,136,364	909,091	872,636	883,636	863,636	9,984,000
Parts & Service	75,909	90,900	113,600	90,900	90,900	113,600	113,600	113,600	113,600	113,600	113,600	90,900	1,234,709
Labor & Taxes	32,400	25,900	25,900	32,400	25,900	25,900	32,400	25,900	25,900	32,400	25,900	25,900	336,800
<b>Total COGS</b>	<b>946,945</b>	<b>914,982</b>	<b>912,227</b>	<b>850,573</b>	<b>844,073</b>	<b>866,773</b>	<b>873,273</b>	<b>1,275,864</b>	<b>1,048,591</b>	<b>1,018,636</b>	<b>1,023,136</b>	<b>980,436</b>	<b>11,555,509</b>
<b>Gross Profit</b>	<b>213,055</b>	<b>185,018</b>	<b>162,773</b>	<b>199,427</b>	<b>155,927</b>	<b>158,227</b>	<b>176,727</b>	<b>199,136</b>	<b>176,409</b>	<b>181,364</b>	<b>176,864</b>	<b>169,564</b>	<b>2,154,491</b>
<b>Sales</b>													
Labor & Taxes	34,700	27,800	27,800	34,700	27,800	27,800	34,700	27,800	27,800	34,700	27,800	27,800	361,200
Marketing & Advertising	7,500	7,500	7,500	5,000	5,000	5,000	7,500	12,500	7,500	7,500	7,500	7,500	87,500
Travel	500	500	500	500	500	500	500	4,500	500	500	500	500	10,000
Meals & Entertainment	1,500	1,500	1,500	1,500	1,500	1,500	1,500	7,500	1,500	1,500	1,500	1,500	24,000
<b>Total Sales</b>	<b>44,200</b>	<b>37,300</b>	<b>37,300</b>	<b>41,700</b>	<b>34,800</b>	<b>34,800</b>	<b>44,200</b>	<b>52,300</b>	<b>37,300</b>	<b>44,200</b>	<b>37,300</b>	<b>37,300</b>	<b>482,700</b>
<b>Office</b>													
Rent	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	170,400
Utilities	3,700	3,700	3,700	4,000	4,000	4,000	3,700	4,000	4,000	4,000	4,000	3,700	46,500
Labor & Taxes	8,900	7,100	7,100	8,900	7,100	7,100	8,900	7,100	7,100	8,900	7,100	7,100	92,400
<b>Total Office</b>	<b>26,800</b>	<b>25,000</b>	<b>25,000</b>	<b>27,100</b>	<b>25,300</b>	<b>25,300</b>	<b>26,800</b>	<b>25,300</b>	<b>25,300</b>	<b>27,100</b>	<b>25,300</b>	<b>25,000</b>	<b>309,300</b>
<b>Admin</b>													
Insurance	21,550	21,550	21,550	21,550	21,550	21,550	21,550	21,550	21,550	21,550	21,550	21,550	258,600
Bank Fees	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Licenses & Permits	500	500	500	1,000	1,000	1,000	500	500	500	500	500	500	7,500
Telephone	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
Dues & Subscriptions	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Postage	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Office Supplies	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	27,600
Labor & Taxes	42,300	33,900	33,900	42,300	33,900	33,900	42,300	33,900	33,900	42,300	33,900	33,900	440,400
<b>Total Admin</b>	<b>78,150</b>	<b>69,750</b>	<b>69,750</b>	<b>78,650</b>	<b>70,250</b>	<b>70,250</b>	<b>78,150</b>	<b>69,750</b>	<b>69,750</b>	<b>78,150</b>	<b>69,750</b>	<b>69,750</b>	<b>872,100</b>
<b>Net Profit</b>	<b>63,905</b>	<b>52,968</b>	<b>30,723</b>	<b>51,977</b>	<b>25,577</b>	<b>27,877</b>	<b>27,577</b>	<b>51,786</b>	<b>44,059</b>	<b>31,914</b>	<b>44,514</b>	<b>37,514</b>	<b>490,391</b>
Beginning Cash	125,000	127,652	132,684	116,929	123,887	105,903	91,678	78,611	91,211	97,543	93,187	102,890	
* RDK TS Class 1	(35,921)	(33,005)	(31,546)	(30,088)	(28,630)	(27,171)	(25,713)	(24,255)	(22,796)	(21,338)	(19,880)	(18,421)	
* RDK TS Class 4	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	
* RDK TS Class 5	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	(4,289)	
* RDK TS Class 6	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	(3,089)	
* RDK Muni Class 3	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	(3,862)	
* RDK Muni Class 4	(584)	(584)	(584)	(584)	(584)	(584)	(584)	(584)	(584)	(584)	(584)	(584)	
** Admin Fees	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	
Trustee Fees	(10,400)	-	-	-	-	-	-	-	-	-	-	-	
Net Profit	63,905	52,968	30,723	51,977	25,577	27,877	27,577	51,786	44,059	31,914	44,514	37,514	
Ending Cash	127,652	132,684	116,929	123,887	105,903	91,678	78,611	91,211	97,543	93,187	102,890	107,051	
Change in cash	2,652	5,032	(15,755)	6,958	(17,984)	(14,225)	(13,067)	12,600	6,331	(4,356)	9,703	4,161	

\* Please reference 1st FY of Consolidated Projected Budget for detailed analysis of Plan Payments. For convenience purposes, one lump sum amount is displayed for 2nd FY through 5th FY.

\*\*The Debtor believes that a favorable monetary judgment will occur with respect to the pending EZ-Pack litigation. The plan provides for a 70/30 split of proceeds. Such split is not shown. Richard Kemner reserves the right to personally fund any excess legal fees or costs with respect to the EZ-Pack litigation.

**RDK TRUCK SALES AND SERVICE, INC. & RDK MUNICIPAL TRUCK CENTER, INC.**  
**CONSOLIDATED PROJECTED BUDGET**  
**2nd Fiscal Year**

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
<b>Revenue</b>													
Truck Sales	960,000	909,000	859,000	808,000	808,000	808,000	808,000	1,263,000	1,010,000	960,000	960,000	960,000	11,113,000
Parts & Service	101,000	101,000	126,000	101,000	101,000	126,000	126,000	126,000	126,000	126,000	126,000	101,000	1,387,000
Truck Leasing	111,000	101,000	101,000	100,000	101,000	101,000	100,000	75,000	75,000	95,000	95,000	95,000	1,150,000
<b>Total Sales</b>	<b>1,172,000</b>	<b>1,111,000</b>	<b>1,086,000</b>	<b>1,009,000</b>	<b>1,010,000</b>	<b>1,035,000</b>	<b>1,034,000</b>	<b>1,464,000</b>	<b>1,211,000</b>	<b>1,181,000</b>	<b>1,181,000</b>	<b>1,156,000</b>	<b>13,650,000</b>
<b>COGS</b>													
Truck Sales COGS	847,727	826,364	775,909	734,500	734,500	734,500	734,500	1,148,200	918,200	879,700	887,700	872,700	10,094,500
Parts & Service	91,800	91,800	114,500	91,800	91,800	114,500	114,500	114,500	114,500	114,500	114,500	91,800	1,260,500
Labor & Taxes	32,400	25,900	32,400	25,900	25,900	25,900	32,400	25,900	25,900	32,400	25,900	32,400	343,300
<b>Total COGS</b>	<b>971,927</b>	<b>944,064</b>	<b>922,809</b>	<b>852,200</b>	<b>852,200</b>	<b>874,900</b>	<b>881,400</b>	<b>1,288,600</b>	<b>1,058,600</b>	<b>1,026,600</b>	<b>1,028,100</b>	<b>996,900</b>	<b>11,698,300</b>
<b>Gross Profit</b>	<b>200,073</b>	<b>166,936</b>	<b>163,191</b>	<b>156,800</b>	<b>157,800</b>	<b>160,100</b>	<b>152,600</b>	<b>175,400</b>	<b>152,400</b>	<b>154,400</b>	<b>152,900</b>	<b>159,100</b>	<b>1,951,700</b>
<b>Sales</b>													
Labor & Taxes	34,700	27,800	34,700	27,800	27,800	27,800	34,700	27,800	27,800	34,700	27,800	34,700	368,100
Marketing & Advertising	7,500	7,500	7,500	5,300	5,300	5,300	7,900	13,100	7,900	7,900	7,900	7,900	91,000
Travel	500	500	500	500	500	500	500	4,700	500	500	500	500	10,200
Meals & Entertainment	1,500	1,500	1,500	1,600	1,600	1,600	1,600	7,900	1,600	1,600	1,600	1,600	25,200
<b>Total Sales</b>	<b>44,200</b>	<b>37,300</b>	<b>44,200</b>	<b>35,200</b>	<b>35,200</b>	<b>35,200</b>	<b>44,700</b>	<b>53,500</b>	<b>37,800</b>	<b>44,700</b>	<b>37,800</b>	<b>44,700</b>	<b>494,500</b>
<b>Office</b>													
Rent	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	170,400
Utilities	3,700	3,700	3,700	4,200	4,200	4,200	3,900	4,200	4,200	4,200	4,200	3,900	48,300
Labor & Taxes	8,900	7,100	8,900	7,100	7,100	7,100	8,900	7,100	7,100	8,900	7,100	8,900	94,200
<b>Total Office</b>	<b>26,800</b>	<b>25,000</b>	<b>26,800</b>	<b>25,500</b>	<b>25,500</b>	<b>25,500</b>	<b>27,000</b>	<b>25,500</b>	<b>25,500</b>	<b>27,300</b>	<b>25,500</b>	<b>27,000</b>	<b>312,900</b>
<b>Admin</b>													
Insurance	21,550	21,550	21,550	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	268,050
Bank Fees	2,500	2,500	2,500	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	30,900
Licenses & Permits	500	500	500	1,100	1,100	1,100	500	500	500	500	500	500	7,800
Telephone	5,500	5,500	5,500	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	68,700
Dues & Subscriptions	1,000	1,000	1,000	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	12,900
Postage	2,500	2,500	2,500	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	30,900
Office Supplies	2,300	2,300	2,300	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	28,500
Labor & Taxes	42,300	33,900	42,300	33,900	33,900	33,900	42,300	33,900	33,900	42,300	33,900	42,300	448,800
<b>Total Admin</b>	<b>78,150</b>	<b>69,750</b>	<b>78,150</b>	<b>72,100</b>	<b>72,100</b>	<b>72,100</b>	<b>79,900</b>	<b>71,500</b>	<b>71,500</b>	<b>79,900</b>	<b>71,500</b>	<b>79,900</b>	<b>896,550</b>
<b>Net Profit</b>	<b>50,923</b>	<b>34,886</b>	<b>14,041</b>	<b>24,000</b>	<b>25,000</b>	<b>27,300</b>	<b>1,000</b>	<b>24,900</b>	<b>17,600</b>	<b>2,500</b>	<b>18,100</b>	<b>7,500</b>	<b>247,750</b>
Beginning Cash	107,051	126,079	130,529	115,593	112,073	111,012	113,710	91,565	94,779	95,152	81,882	85,672	
* Plan Payments	(28,894)	(27,436)	(25,978)	(24,519)	(23,061)	(21,603)	(20,144)	(18,686)	(17,228)	(15,769)	(14,311)	(11,931)	
** Admin Fees	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	-	-	-	-	
Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit	50,923	34,886	14,041	24,000	25,000	27,300	1,000	24,900	17,600	2,500	18,100	7,500	
Ending Cash	126,079	130,529	115,593	112,073	111,012	113,710	91,565	94,779	95,152	81,882	85,672	81,240	
Change in cash	19,028	4,450	(14,937)	(3,519)	(1,061)	2,697	(22,144)	3,214	372	(13,269)	3,789	(4,431)	

\* Please reference 1st FY of Consolidated Projected Budget for detailed analysis of Plan Payments. For convenience purposes, one lump sum amount is displayed for 2nd FY through 5th FY.

\*\*The Debtor believes that a favorable monetary judgment will occur with respect to the pending EZ-Pack litigation. The plan provides for a 70/30 split of proceeds. Such split is not shown. Richard Kemner reserves the right to personally fund any excess legal fees or costs with respect to the EZ-Pack litigation.

**RDK TRUCK SALES AND SERVICE, INC. & RDK MUNICIPAL TRUCK CENTER, INC.**  
**CONSOLIDATED PROJECTED BUDGET**  
**3rd Fiscal Year**

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
<b>Revenue</b>													
Truck Sales	970,000	918,000	868,000	816,000	816,000	816,000	816,000	1,276,000	1,020,000	970,000	970,000	970,000	11,226,000
Parts & Service	102,000	102,000	127,000	102,000	102,000	127,000	127,000	127,000	127,000	127,000	127,000	102,000	1,399,000
Truck Leasing	95,000	95,000	95,000	101,000	102,000	102,000	101,000	76,000	76,000	96,000	96,000	96,000	1,131,000
<b>Total Sales</b>	<b>1,167,000</b>	<b>1,115,000</b>	<b>1,090,000</b>	<b>1,019,000</b>	<b>1,020,000</b>	<b>1,045,000</b>	<b>1,044,000</b>	<b>1,479,000</b>	<b>1,223,000</b>	<b>1,193,000</b>	<b>1,193,000</b>	<b>1,168,000</b>	<b>13,756,000</b>
<b>COGS</b>													
Truck Sales COGS	881,800	834,500	789,100	741,800	741,800	741,800	741,800	1,160,000	927,300	886,800	896,800	881,800	10,225,300
Parts & Service	92,700	92,700	115,500	92,700	92,700	115,500	115,500	115,500	115,500	115,500	115,500	92,700	1,272,000
Labor & Taxes	25,900	25,900	32,400	25,900	25,900	32,400	25,900	25,900	32,400	25,900	25,900	32,400	336,800
<b>Total COGS</b>	<b>1,000,400</b>	<b>953,100</b>	<b>937,000</b>	<b>860,400</b>	<b>860,400</b>	<b>889,700</b>	<b>883,200</b>	<b>1,301,400</b>	<b>1,075,200</b>	<b>1,028,200</b>	<b>1,038,200</b>	<b>1,006,900</b>	<b>11,834,100</b>
<b>Gross Profit</b>	<b>166,600</b>	<b>161,900</b>	<b>153,000</b>	<b>158,600</b>	<b>159,600</b>	<b>155,300</b>	<b>160,800</b>	<b>177,600</b>	<b>147,800</b>	<b>164,800</b>	<b>154,800</b>	<b>161,100</b>	<b>1,921,900</b>
<b>Sales</b>													
Labor & Taxes	27,800	27,800	34,700	27,800	27,800	34,700	27,800	27,800	34,700	27,800	27,800	34,700	361,200
Marketing & Advertising	7,900	7,900	7,900	5,600	5,600	5,600	8,300	13,800	8,300	8,300	8,300	8,300	95,800
Travel	500	500	500	500	500	500	500	4,900	500	500	500	500	10,400
Meals & Entertainment	1,600	1,600	1,600	1,700	1,700	1,700	1,700	8,300	1,700	1,700	1,700	1,700	26,700
<b>Total Sales</b>	<b>37,800</b>	<b>37,800</b>	<b>44,700</b>	<b>35,600</b>	<b>35,600</b>	<b>42,500</b>	<b>38,300</b>	<b>54,800</b>	<b>45,200</b>	<b>38,300</b>	<b>38,300</b>	<b>45,200</b>	<b>494,100</b>
<b>Office</b>													
Rent	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	170,400
Utilities	3,900	3,900	3,900	4,400	4,400	4,400	4,100	4,400	4,400	4,400	4,400	4,100	50,700
Labor & Taxes	7,100	7,100	8,900	7,100	7,100	8,900	7,100	7,100	8,900	7,100	7,100	8,900	92,400
<b>Total Office</b>	<b>25,200</b>	<b>25,200</b>	<b>27,000</b>	<b>25,700</b>	<b>25,700</b>	<b>27,500</b>	<b>25,400</b>	<b>25,700</b>	<b>27,500</b>	<b>25,700</b>	<b>25,700</b>	<b>27,200</b>	<b>313,500</b>
<b>Admin</b>													
Insurance	22,600	22,600	22,600	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	281,100
Bank Fees	2,600	2,600	2,600	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,100
Licenses & Permits	500	500	500	1,200	1,200	1,200	500	500	500	500	500	500	8,100
Telephone	5,800	5,800	5,800	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	72,300
Dues & Subscriptions	1,100	1,100	1,100	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,100
Postage	2,600	2,600	2,600	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,100
Office Supplies	2,400	2,400	2,400	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	29,700
Labor & Taxes	33,900	33,900	42,300	33,900	33,900	42,300	33,900	33,900	42,300	33,900	33,900	42,300	440,400
<b>Total Admin</b>	<b>71,500</b>	<b>71,500</b>	<b>79,900</b>	<b>74,000</b>	<b>74,000</b>	<b>82,400</b>	<b>73,300</b>	<b>73,300</b>	<b>81,700</b>	<b>73,300</b>	<b>73,300</b>	<b>81,700</b>	<b>909,900</b>
<b>Net Profit</b>	<b>32,100</b>	<b>27,400</b>	<b>1,400</b>	<b>23,300</b>	<b>24,300</b>	<b>2,900</b>	<b>23,800</b>	<b>23,800</b>	<b>(6,600)</b>	<b>27,500</b>	<b>17,500</b>	<b>7,000</b>	<b>204,400</b>
Beginning Cash	81,240	101,409	116,877	106,346	117,714	130,083	121,051	132,920	144,788	126,257	141,825	147,394	
Plan Payments	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	
Admin Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit	32,100	27,400	1,400	23,300	24,300	2,900	23,800	23,800	(6,600)	27,500	17,500	7,000	
Ending Cash	101,409	116,877	106,346	117,714	130,083	121,051	132,920	144,788	126,257	141,825	147,394	142,462	
Change in cash	20,169	15,469	(10,531)	11,369	12,369	(9,031)	11,869	11,869	(18,531)	15,569	5,569	(4,931)	

\* Please reference 1st FY of Consolidated Projected Budget for detailed analysis of Plan Payments. For convenience purposes, one lump sum amount is displayed for 2nd FY through 5th FY.

\*\*The Debtor believes that a favorable monetary judgment will occur with respect to the pending EZ-Pack litigation. The plan provides for a 70/30 split of proceeds. Such split is not shown. Richard Kemner reserves the right to personally fund any excess legal fees or costs with respect to the EZ-Pack litigation.

**RDK TRUCK SALES AND SERVICE, INC. & RDK MUNICIPAL TRUCK CENTER, INC.**  
**CONSOLIDATED PROJECTED BUDGET**  
**4th Fiscal Year**

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
<b>Revenue</b>													
Truck Sales	980,000	927,000	877,000	824,000	824,000	824,000	824,000	1,289,000	1,030,000	980,000	980,000	980,000	11,339,000
Parts & Service	103,000	103,000	128,000	103,000	103,000	128,000	128,000	128,000	128,000	128,000	128,000	103,000	1,411,000
Truck Leasing	96,000	96,000	96,000	102,000	103,000	103,000	102,000	77,000	77,000	97,000	97,000	97,000	1,143,000
<b>Total Sales</b>	<b>1,179,000</b>	<b>1,126,000</b>	<b>1,101,000</b>	<b>1,029,000</b>	<b>1,030,000</b>	<b>1,055,000</b>	<b>1,054,000</b>	<b>1,494,000</b>	<b>1,235,000</b>	<b>1,205,000</b>	<b>1,205,000</b>	<b>1,180,000</b>	<b>13,893,000</b>
<b>COGS</b>													
Truck Sales COGS	890,900	842,700	797,300	749,100	749,100	749,100	749,100	1,171,800	936,400	893,400	900,900	890,900	10,320,700
Parts & Service	93,600	93,600	116,400	93,600	93,600	116,400	116,400	116,400	116,400	116,400	116,400	93,600	1,282,800
Labor & Taxes	25,900	25,900	32,400	25,900	25,900	32,400	25,900	25,900	32,400	25,900	32,400	25,900	336,800
<b>Total COGS</b>	<b>1,010,400</b>	<b>962,200</b>	<b>946,100</b>	<b>868,600</b>	<b>868,600</b>	<b>897,900</b>	<b>891,400</b>	<b>1,314,100</b>	<b>1,085,200</b>	<b>1,035,700</b>	<b>1,049,700</b>	<b>1,010,400</b>	<b>11,940,300</b>
<b>Gross Profit</b>	<b>168,600</b>	<b>163,800</b>	<b>154,900</b>	<b>160,400</b>	<b>161,400</b>	<b>157,100</b>	<b>162,600</b>	<b>179,900</b>	<b>149,800</b>	<b>169,300</b>	<b>155,300</b>	<b>169,600</b>	<b>1,952,700</b>
<b>Sales</b>													
Labor & Taxes	27,800	27,800	34,700	27,800	27,800	34,700	27,800	27,800	34,700	27,800	34,700	27,800	361,200
Marketing & Advertising	8,300	8,300	8,300	5,900	5,900	5,900	8,700	14,500	8,700	8,700	8,700	8,700	100,600
Travel	500	500	500	500	500	500	500	5,100	500	500	500	500	10,600
Meals & Entertainment	1,700	1,700	1,700	1,800	1,800	1,800	1,800	8,700	1,800	1,800	1,800	1,800	28,200
<b>Total Sales</b>	<b>38,300</b>	<b>38,300</b>	<b>45,200</b>	<b>36,000</b>	<b>36,000</b>	<b>42,900</b>	<b>38,800</b>	<b>56,100</b>	<b>45,700</b>	<b>38,800</b>	<b>45,700</b>	<b>38,800</b>	<b>500,600</b>
<b>Office</b>													
Rent	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	170,400
Utilities	4,100	4,100	4,100	4,600	4,600	4,600	4,300	4,600	4,600	4,600	4,600	4,300	53,100
Labor & Taxes	7,100	7,100	8,900	7,100	7,100	8,900	7,100	7,100	8,900	7,100	8,900	7,100	92,400
<b>Total Office</b>	<b>25,400</b>	<b>25,400</b>	<b>27,200</b>	<b>25,900</b>	<b>25,900</b>	<b>27,700</b>	<b>25,600</b>	<b>25,900</b>	<b>27,700</b>	<b>25,900</b>	<b>27,700</b>	<b>25,600</b>	<b>315,900</b>
<b>Admin</b>													
Insurance	23,700	23,700	23,700	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	295,200
Bank Fees	2,700	2,700	2,700	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	33,300
Licenses & Permits	500	500	500	1,300	1,300	1,300	500	500	500	500	500	500	8,400
Telephone	6,100	6,100	6,100	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	75,900
Dues & Subscriptions	1,200	1,200	1,200	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,300
Postage	2,700	2,700	2,700	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	33,300
Office Supplies	2,500	2,500	2,500	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	30,900
Labor & Taxes	33,900	33,900	42,300	33,900	33,900	42,300	33,900	33,900	42,300	33,900	42,300	33,900	440,400
<b>Total Admin</b>	<b>73,300</b>	<b>73,300</b>	<b>81,700</b>	<b>76,000</b>	<b>76,000</b>	<b>84,400</b>	<b>75,200</b>	<b>75,200</b>	<b>83,600</b>	<b>75,200</b>	<b>83,600</b>	<b>75,200</b>	<b>932,700</b>
<b>Net Profit</b>	<b>31,600</b>	<b>26,800</b>	<b>800</b>	<b>22,500</b>	<b>23,500</b>	<b>2,100</b>	<b>23,000</b>	<b>22,700</b>	<b>(7,200)</b>	<b>29,400</b>	<b>(1,700)</b>	<b>30,000</b>	<b>203,500</b>
Beginning Cash	142,462	162,131	177,000	165,868	176,437	188,005	178,174	189,242	200,011	180,879	198,348	184,716	
Plan Payments	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	
Admin Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit	31,600	26,800	800	22,500	23,500	2,100	23,000	22,700	(7,200)	29,400	(1,700)	30,000	
Ending Cash	162,131	177,000	165,868	176,437	188,005	178,174	189,242	200,011	180,879	198,348	184,716	202,785	
Change in cash	19,669	14,869	(11,131)	10,569	11,569	(9,831)	11,069	10,769	(19,131)	17,469	(13,631)	18,069	

\* Please reference 1st FY of Consolidated Projected Budget for detailed analysis of Plan Payments. For convenience purposes, one lump sum amount is displayed for 2nd FY through 5th FY.

\*\*The Debtor believes that a favorable monetary judgment will occur with respect to the pending EZ-Pack litigation. The plan provides for a 70/30 split of proceeds. Such split is not shown. Richard Kemner reserves the right to personally fund any excess legal fees or costs with respect to the EZ-Pack litigation.

**RDK TRUCK SALES AND SERVICE, INC. & RDK MUNICIPAL TRUCK CENTER, INC.**  
**CONSOLIDATED PROJECTED BUDGET**  
**5th Fiscal Year**

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
<b>Revenue</b>													
Truck Sales	990,000	936,000	886,000	832,000	832,000	832,000	832,000	1,302,000	1,040,000	990,000	990,000	990,000	11,452,000
Parts & Service	104,000	104,000	129,000	104,000	104,000	129,000	129,000	129,000	129,000	129,000	129,000	104,000	1,423,000
Truck Leasing	97,000	97,000	97,000	103,000	104,000	104,000	103,000	78,000	78,000	98,000	98,000	98,000	1,155,000
<b>Total Sales</b>	<b>1,191,000</b>	<b>1,137,000</b>	<b>1,112,000</b>	<b>1,039,000</b>	<b>1,040,000</b>	<b>1,065,000</b>	<b>1,064,000</b>	<b>1,509,000</b>	<b>1,247,000</b>	<b>1,217,000</b>	<b>1,217,000</b>	<b>1,192,000</b>	<b>14,030,000</b>
<b>COGS</b>													
Truck Sales COGS	900,000	850,900	805,500	756,400	756,400	756,400	756,400	1,183,600	945,500	900,000	900,000	900,000	10,411,100
Parts & Service	94,500	94,500	117,300	94,500	94,500	117,300	117,300	117,300	117,300	117,300	117,300	94,500	1,293,600
Labor & Taxes	25,900	32,400	25,900	25,900	32,400	25,900	25,900	32,400	25,900	25,900	32,400	32,400	343,300
<b>Total COGS</b>	<b>1,020,400</b>	<b>977,800</b>	<b>948,700</b>	<b>876,800</b>	<b>883,300</b>	<b>899,600</b>	<b>899,600</b>	<b>1,333,300</b>	<b>1,088,700</b>	<b>1,043,200</b>	<b>1,049,700</b>	<b>1,026,900</b>	<b>12,048,000</b>
<b>Gross Profit</b>	<b>170,600</b>	<b>159,200</b>	<b>163,300</b>	<b>162,200</b>	<b>156,700</b>	<b>165,400</b>	<b>164,400</b>	<b>175,700</b>	<b>158,300</b>	<b>173,800</b>	<b>167,300</b>	<b>165,100</b>	<b>1,982,000</b>
<b>Sales</b>													
Labor & Taxes	27,800	34,700	27,800	27,800	34,700	27,800	27,800	34,700	27,800	27,800	34,700	34,700	368,100
Marketing & Advertising	8,700	8,700	8,700	6,200	6,200	6,200	9,100	15,200	9,100	9,100	9,100	9,100	105,400
Travel	500	500	500	500	500	500	500	5,400	500	500	500	500	10,900
Meals & Entertainment	1,800	1,800	1,800	1,900	1,900	1,900	1,900	9,100	1,900	1,900	1,900	1,900	29,700
<b>Total Sales</b>	<b>38,800</b>	<b>45,700</b>	<b>38,800</b>	<b>36,400</b>	<b>43,300</b>	<b>36,400</b>	<b>39,300</b>	<b>64,400</b>	<b>39,300</b>	<b>39,300</b>	<b>46,200</b>	<b>46,200</b>	<b>514,100</b>
<b>Office</b>													
Rent	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	170,400
Utilities	4,300	4,300	4,300	4,800	4,800	4,800	4,500	4,800	4,800	4,800	4,800	4,500	55,500
Labor & Taxes	7,100	8,900	7,100	7,100	8,900	7,100	7,100	8,900	7,100	7,100	8,900	8,900	94,200
<b>Total Office</b>	<b>25,600</b>	<b>27,400</b>	<b>25,600</b>	<b>26,100</b>	<b>27,900</b>	<b>26,100</b>	<b>25,800</b>	<b>27,900</b>	<b>26,100</b>	<b>26,100</b>	<b>27,900</b>	<b>27,600</b>	<b>320,100</b>
<b>Admin</b>													
Insurance	24,900	24,900	24,900	26,100	26,100	26,100	26,100	26,100	26,100	26,100	26,100	26,100	309,600
Bank Fees	2,800	2,800	2,800	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	34,500
Licenses & Permits	500	500	500	1,400	1,400	1,400	500	500	500	500	500	500	8,700
Telephone	6,400	6,400	6,400	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	79,500
Dues & Subscriptions	1,300	1,300	1,300	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,500
Postage	2,800	2,800	2,800	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	34,500
Office Supplies	2,600	2,600	2,600	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,100
Labor & Taxes	33,900	42,300	33,900	33,900	42,300	33,900	33,900	42,300	33,900	33,900	42,300	42,300	448,800
<b>Total Admin</b>	<b>75,200</b>	<b>83,600</b>	<b>75,200</b>	<b>78,000</b>	<b>86,400</b>	<b>78,000</b>	<b>77,100</b>	<b>85,500</b>	<b>77,100</b>	<b>77,100</b>	<b>85,500</b>	<b>85,500</b>	<b>964,200</b>
<b>Net Profit</b>	<b>31,000</b>	<b>2,500</b>	<b>23,700</b>	<b>21,700</b>	<b>(900)</b>	<b>24,900</b>	<b>22,200</b>	<b>(2,100)</b>	<b>15,800</b>	<b>31,300</b>	<b>7,700</b>	<b>5,800</b>	<b>183,600</b>
Beginning Cash	202,785	221,853	212,422	224,191	233,959	221,128	234,096	244,365	230,333	234,202	253,570	249,339	
Plan Payments	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	(11,931)	
Admin Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit	31,000	2,500	23,700	21,700	(900)	24,900	22,200	(2,100)	15,800	31,300	7,700	5,800	
Ending Cash	221,853	212,422	224,191	233,959	221,128	234,096	244,365	230,333	234,202	253,570	249,339	243,207	
Change in cash	19,069	(9,431)	11,769	9,769	(12,831)	12,969	10,269	(14,031)	3,869	19,369	(4,231)	(6,131)	

\* Please reference 1st FY of Consolidated Projected Budget for detailed analysis of Plan Payments. For convenience purposes, one lump sum amount is displayed for 2nd FY through 5th FY.

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