

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In Re:) Case No. 16-45026-659
StephChris of Missouri, LLC) Chapter 11
Debtor.)

**SMALL BUSINESS DEBTOR’S COMBINED PLAN OF REORGANIZATION AND
DISCLOSURE STATEMENT**

StephChris of Missouri, LLC (“StephChris”), Debtor and Debtor-in-Possession herein, presents this Combined Plan of Reorganization and Disclosure Statement (the “Plan”) to all of its known creditors and interest holders to provide information of a kind and in sufficient detail to enable them to be reasonably informed when voting for acceptance or rejection of the Plan.

The Plan provides adequate information for this purpose and also sets forth the terms of the proposed reorganization for your review.

You are encouraged to carefully review the full text of this document, including all exhibits and attachments, before deciding how to vote on the Plan. The Debtor asks for your vote to accept the Plan.

Attached as Exhibits to this Plan are copies of the following:

- A. Notice of Filing of Debtor’s Combined Plan and Disclosure Statement and Hearing on Adequacy of Disclosures Therein and on Confirmation of Plan;
- B. Debtor's Financial Information for calendar years 2014-2016; and
- C. A summary of Debtor’s projected payments to Unsecured Creditors and supporting financial information for the period March 2017 through December 2019.

ARTICLE I
DEFINITIONS

The definitions and rules of construction set forth in §§ 101 and 102 of the Bankruptcy Code shall apply when terms defined or construed in the Code are used in this Plan. The definitions that follow that are found in the Code are for convenience of reference only, and are superseded by the definitions found in the Code.

1.1. Administrative Claimant: Any person entitled to payment of an Administration Expense.

1.2. Administrative Expense: Any cost or expense of administration of the Chapter 11 case entitled to priority under Section 507(a)(2) of the Code and allowed under Section 503(b) of the Code, including without limitation, any actual and necessary expenses of preserving the Debtor's estate, any actual and necessary expenses incurred following the filing of the bankruptcy petition by the Debtor-in-Possession, allowances of compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under the Bankruptcy Code, and any fees or charges assessed against any of the Debtor's estates under Chapter 123, Title 28, United States Code.

1.3. Administrative Tax Claim: Any tax incurred pursuant to Section 503(b)(1)(B) of the Code.

1.4. Allowed Claim: Any claim against the Debtor pursuant to Section 502 of the Code to the extent that: (a) a Proof of Claim was either timely filed or was filed late with leave of the Bankruptcy Court or without objection by the Debtor, and (b) as to which either (i) a party in interest, including the Debtor, does not timely file an objection, or (ii) is allowed by a Final Order.

1.5. Allowed _____ Claim: An Allowed Claim in the particular Class or category specified.

1.6. Allowed Priority Tax Claim: A Priority Tax Claim to the extent that it is or has become an Allowed Claim, which in any event shall be reduced by the amount of any offsets, credits, or refunds to which the Debtor or Debtor-in-Possession shall be entitled on the Confirmation Date.

1.7. Allowed Secured Claim: Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code

1.8. Allowed Unsecured Claim: An Unsecured Claim to the extent it is, or has become, an Allowed Claim, which in any event shall be reduced by the amount of any offsets, credits, or refunds to which the Debtor or Debtor-in-Possession shall be entitled on the Confirmation Date.

1.9 Available Cash means the Debtor's total revenues in a given period, less its operating expenses, scheduled debt service, payment of Section 1930 Claims, payment of Administrative Expense Claims, and sufficient cash to maintain an operating reserve of \$25,000.

1.10. Avoidance Action: a cause of action arising under Sections 502, 510, 541, 542, 544, 545, 547 through 551, and 553 of the Bankruptcy Code., or any available state or federal law.

1.11. Bankruptcy Code or Code: Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*, as now in effect or hereafter amended.

1.12. Bankruptcy Court or this Court: The United States Bankruptcy Court for the Eastern District of Missouri.

1.13. Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure, as now in effect or hereafter amended.

1.14. Cash: Cash, cash equivalents and other readily marketable securities or instruments issued by a person other than the Debtor, including, without limitation, readily marketable direct obligations of the United States of America, certificates of deposit issued by banks and commercial paper of any entity, including interest accrued or earned thereon.

1.15. Chapter 11 Case: This case under chapter 11 of the Bankruptcy Code in which StephChris of Missouri LLC is the Debtor-in-Possession.

1.16. Claim: Any “right to payment from the Debtor whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or any right to an equitable remedy for future performance if such breach gives rise to a right of payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, disputed, undisputed, secured or unsecured.” 11 U.S.C. § 101(5).

1.17. Class: A category of holders of claims or interests which are substantially similar to the other claims or interests in such class.

1.18. Committee: Any Committee of Creditors appointed by the United States Trustee in the chapter 11 case pursuant to Section 1102 of the Bankruptcy Code.

1.19. Confirmation: The entry by the Bankruptcy Court of an order confirming this Combined Plan and Disclosure Statement.

1.20. Confirmation Date: The Date upon which the Bankruptcy Court shall enter the Confirmation Order; provided however, that if on motion the Confirmation Order or consummation of the Plan is stayed pending appeal, then the Confirmation Date shall be the entry of the Final Order vacating such stay or the date on which such stay expires and is no longer in effect.

1.21. Confirmation Hearing: The hearing to be held on April 12, 2017 to consider confirmation of the Plan.

1.22. Confirmation Order: An order of the Bankruptcy Court or any amendment thereto confirming the Plan in accordance with the provisions of chapter 11 of the Bankruptcy Code.

1.23. Convenience Class: A Class consisting of every Allowed Unsecured Claim that is less than or voluntarily reduced by the holder to \$2,000 for administrative convenience.

1.24. Creditor: Any person who has a Claim against the Debtor that arose on or before the Petition Date.

1.25. Debtor and Debtor-in-Possession: StephChris of Missouri, LLC, the debtor-in-possession in this Chapter 11 Case.

1.26. Disputed Claim: Any claim against the Debtor pursuant to Section 502 of the Code that the Debtor has in any way objected to, challenged or otherwise disputed.

1.27. Distributions: The property required by the Plan to be distributed to the holders of Allowed Claims.

1.28. Effective Date: Ten business days after entry of the Confirmation Order.

1.29. Equity or Membership Interest: An ownership interest in the Debtor.

1.30. Estate or Bankruptcy Estate: the estate consisting of all property in which the Debtor has an interest, created pursuant to Section 541(a) of the Bankruptcy Code.

1.31. Executory Contracts: All unexpired leases and executory contracts as described in Section 365 of the Bankruptcy Code.

1.32. Final Order: An order or judgment of the Bankruptcy Court that has not been reversed, stayed, modified or amended and as to which (a) any appeal that has been taken has been finally determined or dismissed, or (b) the time for appeal has expired and no notice of appeal has been filed.

1.33. MWRB: Midwest Regional Bank, the Debtor's SBA lender and primary secured creditor, which holds liens on both the Debtor's real and personal property.

1.34. Petition Date: July 15, 2016, the date the chapter 11 petition for relief was filed.

1.35. Plan: This Combined Plan and Disclosure Statement, either in its present form or as it may be altered, amended, or modified from time to time.

1.36. Plan Proponent: The Debtor, which has filed this Combined Plan and Disclosure Statement.

1.37. Priority Tax Claim: Any Claim entitled to priority in payment under Section 507(a)(8) of the Bankruptcy Code.

1.38. Reorganized Debtor: The Debtor after the Effective Date.

1.39. Schedules: Schedules and Statement of Financial Affairs, as amended, filed by the Debtor with the Bankruptcy Court listing liabilities and assets.

1.40. Section 1930 Claim: A fee or charge assessed against the Estate under 28 U.S.C. § 1911-1930

1.41. Secured Creditor: Any creditor that holds a Claim that is secured by property of the Debtor.

1.42. Substantial Consummation: The transfer of substantially all property to be transferred and the commencement of distribution under the Plan, as more fully set out in Section 1101 (2) of the Bankruptcy Code.

1.43. Unsecured Creditor: Any Creditor that holds a Claim in the Chapter 11 case which is not a secured Claim.

ARTICLE II DISCLAIMERS

Bankruptcy Court approval, conditionally or otherwise, does not constitute a determination on the merits of the Plan or guarantee the adequacy or the accuracy of the disclosures herein. No other representations regarding the Plan have been approved by the court.

This Plan has been prepared by Debtor's counsel from information supplied by the Debtor. Although the Debtor believes the information to be accurate, there has been no independent audit of the financial information in this Plan.

Inclusion of information in this Plan does not constitute as an admission of any fact or liability, stipulation or waiver by any party, nor is it admissible in any proceeding involving the Debtor or any other party.

The disclosures herein are not meant to provide advice on the tax, securities or other legal effects of the Debtor's reorganization. You are strongly advised to consult with your own legal and financial advisors regarding your position on the Plan.

ARTICLE III BACKGROUND OF THE DEBTOR

A. The Debtor

The Debtor, a Missouri limited liability company, operates a single retail Dairy Queen store in South St. Louis County. Its sole members are Brian Brown and Laurie Brown, his wife. Mr. and Mrs. Brown have long histories in the accounting arena – Mrs. Brown was a CPA and Mr. Brown previously served as Vice-President – Finance for a publically traded company. They own

Professional Consulting and Management, Inc., an accounting firm which over the years has provided accounting services to a number of fast-food franchisees, including Dairy Queen franchisees. Additionally, Mr. and Mrs. Brown previously have operated Dairy Queen franchises, and currently operate a location in Caseyville, Illinois.

The Debtor acquired an existing but troubled Dairy Queen location in 2010 which subsequently was closed when the franchise for that location expired. Even during that short period, the Browns were able to substantially increase sales at that location.

Debtor then opened its current location on South Lindbergh on December 30, 2011 as a new store. It had been scheduled to open about 4 months earlier, but repeated delays in funding the MWRB loan also delayed the opening. No Dairy Queen had previously operated at that location.

The Debtor owns the building in which it operates and the equipment inside, except for that which is being purchased on installment plans. It employs, depending on the season, approximately 10 full-time and 18 part-time employees. All of its employees are paid by funds earned from the operation of its business. All wages had been paid currently prior to the commencement of this case and remain current as of the date of this Plan.

B. Events Leading to the Chapter 11 filing

Historically, it takes approximately 3-5 years for a new Dairy Queen location to mature and become profitable. However, since its opening, four significant events occurred which seriously delayed its profitability.

1. In September 2013, Brian Brown became ill and was in a coma for a week. It took a long while for him to recover, and he did not fully return to all of his management duties for several months thereafter.

2. On about June 1, 2015, Lindbergh Boulevard, the primary road along which the Debtor is located, closed for construction. Customers could not access the store without taking a detour which was not particularly obvious. The road was completely closed for one month, and then partially impassible for several weeks thereafter, causing substantial losses.

3. During November and December 2014, Lindbergh was closed for parts of several weekends to allow for protest marches on the street, causing substantial losses.

4. Finally, in October 2015, a car crashed through the side of the store into the actual customer dining area. It was boarded up for four months while the parties argued over the responsibility for repairs. Casual observers often thought the store was closed, again causing substantial losses. To illustrate the adverse aspect of this incident, note that revenues for October/November 2016 increased 18% over the same period in 2015 after the car crash.

Fortunately, the Browns' skill and experience allowed the Debtor to survive this string of events. Throughout this entire time period, the Debtor was never more than 30 days late in any of

its payments to Midwest Regional Bank, its SBA lender. When the Debtor remitted its payment for January 2016, the MWRB negotiated the check, but then strangely returned the funds. Despite Debtor's payment record and knowledge of these events, MWRB commenced litigation against it and the guarantors in the Circuit Court of the County of St. Louis, Missouri and thereafter commenced foreclosure proceedings against it in June 2016, resulting in the commencement of this case during July.

Debtor has asserted a counterclaim against MWRB in the state court, which continues to be prosecuted and is an asset of the Debtor's bankruptcy estate.

C. Corrective actions taken and to be taken.

Other than some tweaking of its operations there are no corrective actions to be taken. The debtor simply needs to continue operating its business with no further business disruptions. It filed this Chapter 11 case to afford itself the opportunity the restructure its debts so that it may continue operating.

Due to the uncertainty created by the Lender's litigation, the Debtor has expended very little for advertising and promotions since May 2016. After this Plan is confirmed, it intends to begin monthly advertising programs and coupon distributions, which historically have been found to increase revenue.

Also, the Debtor intends to begin offering breakfast service, which has been successful in other markets and is expected to add to the Debtor's profitability.

ARTICLE IV
SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE

Since the Debtor commenced its Chapter 11 Case, it has continued to operate its business and manage its properties as a debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. The following is a brief description of some of the major events occurring since the Petition Date.

A. Stay of Litigation

An immediate effect of the filing of the Chapter 11 Case was the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins the commencement or continuation of all pre-petition litigation against, and efforts to collect funds from, the Debtor. This injunction remains in effect unless modified or lifted by order of the Bankruptcy Court.

With the consent of the Debtor, MWRB's state court lawsuit continues to be prosecuted and will proceed either to settlement or resolution by the court.

B. Continuation of Business

Following the commencement of the Chapter 11 Case, the Debtor continued to operate its

business as a debtor in possession under the protection of the Bankruptcy Court. The Bankruptcy Court has certain supervisory powers over the Debtor's operations during the Chapter 11 Case, which are generally limited to reviewing and ruling on any objections raised to the Debtor's operations or proposed outside of the ordinary course transactions.

The Debtor must notify parties in interest and obtain Bankruptcy Court approval of any transactions that are outside the ordinary course of business, such as any sale of a major asset of the Debtor. In addition, the Debtor must obtain Bankruptcy Court approval of certain other transactions, such as the borrowing of money on a secured basis or the employment of attorneys, accountants and other professionals. The Debtor has not taken any actions outside the ordinary course of action in this case.

B. Management

Mr. and Mrs. Brown have remained in control of the Debtor since the Petition Date and will continue to own and operate the Debtor after the Effective Date.

C. Representation of Debtor

The Debtor applied for and was granted authorization from the Bankruptcy Court to retain the law firm of Danna McKittrick, P.C. as bankruptcy counsel.

D. Significant Motions

Upon commencement of the case, the Debtor filed various 'first-day' motions, including Debtor's Motion to Pay Employees for pre-petition wages and Debtor's Motion for Use of Cash Collateral. The Court granted Debtor's Motion to Pay Employees and entered an Order giving Debtor authority to incur post-petition financing.

No Creditors Committee has been appointed in this case.

**ARTICLE V
OVERVIEW OF THE PLAN**

A. Classification of Claims and Interests

1. **Inclusion in Classes:** The Plan designates 3 categories and 3 Classes of Claims and Interests. These categories and Classes take into account the differing nature and priority of the various Claims under the Bankruptcy Code. Claims specified in Sections 507(a)(1), 507(a)(2) and 507(a)(8) are not classified, pursuant to Section 1123(a)(1) of the Bankruptcy Code. These Claims are described in the Categories below. All other Claims and Interests are classified into the Classes described below.

2. **Categories:**

- a. Section 1930 Claims.
- b. Administrative Expense Claims

c. Priority Tax Claims.

3. **Classes:**

- a. **Class 1:** Class 1 consists of all allowed Secured Tax Claims held by governmental taxing authorities.
- b. **Class 2:** Class 2 consists of the Allowed Secured Claim of Midwest Regional Bank.
- c. **Class 3:** Class 3 consists of all General Unsecured Claims which fall into the Convenience Class.
- d. **Class 4:** Class 4 consists of all other General Unsecured Claims, including the unsecured portion of the Allowed Claim of Midwest Regional Bank.
- c. **Class 5:** Class 5 consists of the ownership interests of the members of the Debtor.

B. Impairment and Voting

- 1. **Impaired Classes:** Claims in Classes 2, 3, and 4 are impaired and holders of Allowed Claims in these classes are entitled to vote to accept or reject the Plan.
- 2. **Unimpaired Classes:** Claims and Interests in Classes 1 and 5 are not impaired and holders of Allowed Claims or Interests in those Classes are not entitled to vote to accept or reject the Plan.

C. Treatment of Claims

The following table sets forth the classification and treatment of all Claims and Interests under the Plan and the consideration distributable to such Claims and Interests under the Plan. The information set forth in the following table is for convenient reference only, and each holder of a Claim or Interest should refer to the Plan for a full understanding of the classification and treatment of Claims and Interests provided for under the Plan. The Claim reconciliation procedure is an ongoing process and the actual amount of Allowed Claims may vary from the estimates.

CATEGORY/CLASS	TREATMENT
Section 1930 Claim	Paid in Cash on Effective Date or when otherwise due.
Administrative Expense Claims – Post-petition obligations incurred in the ordinary course of business.	Allowed Claims paid in full in Cash on later of Effective Date or when otherwise due.

Administrative Expense Claim – Professional fees:	Allowed Claim paid in full when allowed by Court or as otherwise agreed.
Priority Tax Claims	Allowed Claims paid in full from Available Cash on a quarterly basis over no more than five years from the Petition Date, with fixed interest of 4% annually.
Class 1 Secured Claims (tax liens)	Allowed Claims paid in full as soon as possible after payment of Priority Tax Claims. Said payments will be made from Available Cash on a quarterly basis over no more than five years from the Petition Date, with fixed interest of 4% annually.
Class 2a Secured Claim (Midwest Regional Bank) based upon MWRB’s valuation of collateral at \$1,450,000	Allowed Secured Claim paid in full, amortized over 30 years at 5% fixed interest with a balloon payment after 15 years.
Class 2b Secured Claims (equipment finance agreements)	See chart below
Class 3 Convenience Claims:	Allowed Claims to receive a single payment from Available Cash of 25% of the Claim within 90 days after the Effective Date or after full payment of the Section 1930 claims
Class 4 - General Unsecured Claims	Allowed Claims paid <i>pro rata</i> share of Available Cash quarterly, commencing after payment of Section 1930 Claims, Administrative Expense Claims, and Convenience Claims until the expiration of the Plan thirty six months from the Effective Date.
Class 5 - Interests in Debtor	The members of the Debtor shall retain their interests in the Debtor.

All distributions will be made from Available Cash, as defined above. Based upon Debtor’s projections attached hereto as Exhibit B, Debtor estimates that holders of General Unsecured Claims will receive a total distribution of approximately 68% of their Allowed Claims during the three-year term of the Plan.

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE GREATEST POSSIBLE RECOVERIES TO THE HOLDERS OF CLAIMS AND INTERESTS, AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF ALL PARTIES.

ARTICLE VI

Treatment of Allowed Claims and Allowed Interests

1. **Section 1930 Claims:** All Section 1930 Claims incurred prior to the entry of a final decree pursuant to Bankruptcy Rule 3022 shall, if not previously paid in full, continue to be timely paid in Cash. Any amounts due at confirmation are too small to have a material effect on the feasibility of the Plan.

2. **Administrative Expense Claims:** Each holder of an Allowed Administrative Expense Claim, other than those incurred in the ordinary course of business during the Case, shall be paid in full in Cash upon the later of (i) the Effective Date or (ii) the first business day after a Final Order is entered Allowing such Administrative Expense Claim, unless the holder of such Allowed Administrative Expense Claim and the Debtor agree to different treatment.

Allowed Administrative Expense Claims incurred in the ordinary course of business during the Case shall be paid by the Debtor in the ordinary course of its business according to the terms of any agreements relating thereto.

Allowed Administrative Expense Claims incurred for professional fees and costs shall be paid in full in Cash on the first business day after a Final Order is entered Allowing such Administrative Expense Claim, unless the professional and the Debtor agree to different treatment. Debtor estimates the amount of fees incurred through January 31, 2017 to be approximately \$25,000.

After the Confirmation Date, professionals will no longer need to comply with the Bankruptcy Code regarding retention or compensation for services rendered after such date.

3. **Priority Tax Claims:** Each holder of an Allowed Priority Tax Claim shall be paid in full from Available Cash on a quarterly basis over no more than five years from the Petition Date, with annual interest of 4%, compounded daily, with accrual to commence on the Effective Date, unless the holder of such Allowed Unsecured Priority Tax Claim agrees to different treatment. These payments will be completed no later than July 14, 2021, five years from the Petition Date.

Debtor estimates the Priority Tax Claims and monthly payments thereon to be:

IRS (Claim 6-4)	\$77,263.09	Monthly payment	\$1,512.64
MDOR (Claims 2-3)	27,046.94	Monthly payment	529.52
St. Louis County (Claim 9)	2,195.13	Monthly payment	45.98

Note that all unsecured, non-priority tax claims will be treated as Class 4 General Unsecured Claims.

4. **Class 1 Secured Tax Claims:** Each holder of an Allowed Secured Tax Claim shall retain all valid liens and security interests it held against the Debtor prior to the Petition Date. The claim will be paid in full, with annual interest of 4%, compounded daily, with accrual to begin on

the Effective Date, out of Available Cash as soon as possible after full payment of the Claims set forth in paragraphs 1, 2, and 3 above, unless the holder of such Claim and the Debtor agree to different treatment. These payments will be completed no later than July 14, 2021, five years from the Petition Date.

Debtor estimates the Class 1 Secured Tax Claims and monthly payments thereon to be:

MDOR (Claims 2-3)	\$96,315.66	Monthly payment	\$1,885.65
St. Louis County (Claims 10-11)	45,777.68	Monthly payment	896.22

Note that any payment schedule required by the taxing authority in paragraphs 3 or 4 above will supersede the numbers provided herein.

5. **Class 2a Secured Claim:** MWRB, the holder of the Class 2a Secured Claim, shall be paid the amount of its secured claim of \$1,450,000 in monthly installments according to terms of the existing note except that the balance due will be amortized over 30 years from the first day of the month commencing after the Effective Date and interest will accrue at the fixed annual rate of 5% of the unpaid balance, compounded annually, with a balloon payment due after 15 years (180 payments).

All existing defaults on this obligation shall be deemed cured as of the Effective Date. Only a failure to pay 2017 real estate taxes by December 31, 2018, or any other obligation when due under this Plan shall constitute a monetary event of default in the payment of MWRB under this Plan. Should MWRB choose to declare any event of Default in the Debtor's obligations to it, it shall provide 14 days' written notice to Debtor as set forth elsewhere in this Plan.

The \$1,450,000 valuation of MWRB's collateral is based upon its own valuation. Debtor believes this valuation to be very high. If the Debtor were to be forced out of business and MWRB foreclosed on Debtor's building and equipment, Debtor believes that MWRB would recover only about two-thirds of that amount. The building is a single-use structure, and requires a Dairy Queen approved operator to function. Thus, MWRB would be limited to a small handful of potential purchasers, or would have to sell the collateral cheaply enough for the purchaser to remodel or replace it.

Nonetheless, Debtor is incorporating MWRB's valuation into this Plan. MWRB, the holder of the Allowed Class 2a Secured Claim, shall retain its lien on Debtor's property.

Debtor estimates the monthly payment on the Class 2a Secured Claim to be approximately \$7,784 monthly

6. **Class 2b Secured Claims:** Debtor has purchased much of its equipment from dealers which finance purchases through a variety of well-known equipment finance companies. Although sometimes referred to as leases, these are actually installment financing arrangements by which the Debtor becomes the owner of the equipment, subject to a security interest held by the finance company.

The holders of Class 2b Secured Claims, except for U.S. Bank Leasing, will be paid their remaining principal balances due on the Petition Date pursuant to the Proofs of Claim they have

filed, less post-petition payments, by payments equal to their current monthly installments with interest on the unpaid balance accruing at an annual interest rate of 4%. U.S. Bank Leasing will receive double payments during the six months April through September.

The names of the creditors, balances due, payment rate and expected final payment date are:

Creditor	Principal Balance Due on Petition Date	Principal Balance Due on February 1, 2017	Monthly Payment	# Payments Remaining Due	Date of Final Payment
Axis Capital*	\$14,403	\$13,212	\$1,192	11	Jan. 2018
Direct Capital (04V415)	\$16,758	\$13,555	\$ 640	9	Nov. 2017
Direct Capital (8599)	\$ 8,044	\$ 6,912	\$ 188	37	Mar. 2020
Financial Pacific	\$10,002	\$ 6,781	\$ 537	10	Dec. 2017
Pawnee	\$ 7,534	\$ 2,374	\$ 830	2	April 2017
Roanoke Group 1 (sublease)	\$35,794	\$31,039	\$1,585	15	Nov 2018
U.S. Bank** 9797	\$25,810	\$25,810	\$1,170	23	Jan. 2019
U.S. Bank** 9944	\$32,849	\$32,849	\$1,118	28	Jun. 2019

All dollar amounts are rounded. All information is as of 1/31/17. The total monthly payments due on equipment purchases will diminish over time.

*Payments to be resumed in March 2017.

**Payments to be resumed in March 2017, with double payments from April through November until arrearage cured.

The holders of the Allowed Class 2a Secured Claims shall retain their liens on Debtor's property. All existing defaults on these obligations shall be deemed cured as of the Effective Date.

7. **Class 3 Convenience Claims:** Each Holder of a Convenience Claim shall receive a single payment equal to 25% of its Allowed Claim as soon as all Claims in Categories 1, 2, and 3 are fully paid and there is Available Cash to make the distribution to the holders of Convenience Claims. Debtor estimates that the aggregate amount of convenience claims is \$4,000.00.

8. **Class 4 General Unsecured Claims:** Each holder of an Allowed Class 4 General Unsecured Claim will begin receiving quarterly distributions after Allowed Class 1 Claims are paid if there is Available Cash remaining. Payments will continue for 36 months (9 quarters) from the Effective Date.

The Debtor estimates that the aggregate amount of General Unsecured Claims is

\$570,000.00 and that holders thereof will receive aggregate distributions equal to about 64% of their Claims.

9. **Class 5 Allowed Interests in the Debtor:** The members of the Debtor will retain their interests in the Debtor.

10. **Method of Distribution:** The distributions described in Paragraphs 3 through 8 above will be made by disbursing a pro rata share of Available Cash to each holder of a Claim in the category or Class. Distributions will begin 25 days after the conclusion of the first calendar quarter in which the Debtor has Available Cash, and be made quarterly thereafter.

Debtor will make all distributions under this Plan.

ARTICLE VII

Means for Implementation of Plan

1. **Continued Corporate Existence:** Except as otherwise provided in the Plan, the Debtor will continue to exist after the Effective Date as a separate legal entity, the Reorganized Debtor, with all the powers of a Missouri Limited Liability Company under applicable law.

2. **Duration of Plan Payments:** Debtor shall make payments under this plan for a term of 36 months from the Effective Date. During that period, payments shall be made on a quarterly basis. If any claims in paragraphs 1 through 4 of Article VI above have not been paid in full upon the close of the final quarter (or, in the case of Priority and Secured Tax Claims, upon the expiration of five years from the Petition Date), Debtor's principals will obtain the necessary financing to pay any remaining amount due under these claims within 25 days after the close of the final quarter.

3. **Preservation of Rights:** Except as otherwise provided in the Plan or in any other agreement entered into in connection with the Plan, the Reorganized Debtor will retain and may enforce any claims, demands, rights and causes of action that the Debtor or the Estate may hold against any entity, in the sole discretion of the Reorganized Debtor or any successor or assign, including specifically its claims against MWRB.

4. **Preferential Transfers:** The Debtor will not assert preference or other Avoidance Actions not already pending before the Court upon the approval of this Disclosure Statement against any person or entity. There currently are no Avoidance Actions pending before the Court.

5. **Effectuating Documents and Further Transactions.** The Managing Member of the Debtor and Reorganized Debtor is authorized, to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to implement the terms and conditions of the Plan.

ARTICLE VIII

Provisions Regarding Distributions

1. **Disbursing Agent:** the Post-confirmation management of the Debtor will make all distributions required by this Plan. No Disbursing Agent will be appointed.

2. **Distributions on the Effective Date:** Cash distributions for the payment of all Section 1930 Fees and Allowed Administrative Expense Claims shall be paid by the Debtor on the Effective Date from funds accumulated by the Debtor from its prior operations.

3. **Distributions after the Effective Date:** The distributions to the holders of Allowed Priority Tax Claims, Secured Tax Claims and General Unsecured Claims shall be made quarterly. Distributions will be made within 25 days after the conclusion of each calendar quarter.

4. **Objections to Claims:** An objection to the allowance of a Claim shall be made in writing and must be filed with the Bankruptcy Court by the Debtor or by any other party in interest not more than 30 days after the Effective Date.

As of the filing of this Plan, Debtor does not intend to object to any timely filed claims.

5. **Amendment of Claims:** A claim may be amended prior to the Effective Date only as agreed upon by the Debtor and the holder of such Claim or as otherwise permitted by the Bankruptcy Court and Bankruptcy Rules. After the Effective Date, a Claim may be amended to decrease, but not to increase, the amount thereof.

6. **Disputed Claim Reserve:** When making any distribution under this Plan, the Debtor shall retain sufficient funds to allow it to make a similar distribution to the holder of any Disputed Claim in the event it should become an Allowed Claim.

7. **Distributions to Holders of Formerly Disputed Claims:** Unless another date is agreed on by the Debtor and the holder of a particular Allowed Claim, the Debtor shall, on the later of the Effective Date or the entry of a Final Order by which the Disputed Claim becomes an Allowed Claim, distribute to such holder of such Allowed Claim an amount, in Cash, from the Cash held in reserve for such holder with respect to such formerly Disputed Claim and, to the extent such reserve is insufficient, from Available Cash, equal to that amount of Cash which would have been distributed to such holder on the Effective Date (or on such other date or dates of distribution as provided in the Plan) had such Disputed Claim been an Allowed Claim on the Effective Date.

8. **Excess Reserves.** As each Disputed Claim is resolved, all funds reserved for, but not distributed to, the holder of such Disputed Claim shall be added to Available Cash.

9. **Unclaimed Funds.** In the event that any distribution to the holder of a Claim is returned to the Debtor and remains unclaimed for a period of ninety days after it has been delivered (or after such delivery has been attempted) or otherwise made available in accordance with the Plan to the holder entitled thereto, such unclaimed funds shall, be forfeited by such holder, and

become part of the Available Cash.

10. **Full and Final Satisfaction:** All payments and distributions under this Plan shall be in full and final satisfaction, settlement, release and discharge of all Claims.

11. **Disputed Payments:** If any dispute arises as to the identity of a holder of an Allowed Claim who is to receive any distribution, the Debtor may, in lieu of making such distribution to such person, make such distribution into an escrow account until the disposition hereof shall be determined by the Bankruptcy Court or by written agreement among the interested parties to such dispute.

12. **Withholding Taxes:** Any federal or state withholding taxes or other amounts required to be withheld under any applicable law shall be deducted and withheld from any distributions hereunder.

13. **Claims Incurred After the Confirmation Date:** Claims incurred after the Confirmation Date shall not be subject to application or proof of claim and may be paid by the Debtor in the ordinary course of business without further Bankruptcy Court approval.

14. **Governing Law:** Except to the extent the Code or Bankruptcy Rules are applicable, the rights and obligations arising under this Plan shall be governed by and construed and enforced in accordance with, the laws of the State of Missouri.

ARTICLE IX

Executory Contracts and Unexpired Leases

Assumption. The Debtor has no Executory contracts or unexpired leases other than those on certain specified pieces of equipment. All of these leases are of the “rent to own” variety in that none of the items need be returned to the Lessor at the termination of the lease. All but one of the existing leases expire on their own terms within the three-year repayment period of this Plan.

Any arrearages due on existing leases will be satisfied by adding regular monthly payments to the end of the lease term until the arrearages are cured, or as otherwise agreed by the Creditor.

All of Debtor's executory contracts and unexpired leases as of the Petition Date which have not specifically been assumed or rejected pursuant to Section 365 of the Bankruptcy Code or otherwise assumed pursuant to this Plan shall be deemed assumed on the Effective Date.

ARTICLE X

Conditions Precedent to Confirmation and Consummation of the Plan

1. **Confirmation:** The Bankruptcy Court has entered a Confirmation Order

reasonably acceptable in form and substance to the Debtor.

2. **Effective Date:** None.

ARTICLE XI

Effect of Confirmation

1. **Binding Effect:** Confirmation of the Plan binds the Debtor and all Creditors, whether or not they accept the Plan, to its terms. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of, the successors or assigns of such entity.

2. **Vesting of Assets in the Reorganized Debtor:** As of the Effective Date, all property of the Estate will vest in the Reorganized Debtor, free and clear of all Claims, liens, or other encumbrances, except as specifically set forth in the Plan. On and after the Effective Date, the Reorganized Debtor may operate its business, use, acquire, and dispose of its property, and settle or compromise any Claims without supervision or approval by the Bankruptcy Court and free of the restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or Confirmation Order.

3. **Discharge.** Confirmation of the Plan discharges the Debtor and Reorganized Debtor from all debts arising before the Confirmation Date, pursuant to Section 1141(d)(1) of the Bankruptcy Code except that the interests held by them members of the Debtor will not be terminated.

4. **Release of Liens:** Except as otherwise provided in the Plan or in any other agreement entered into in connection with the Plan, all liens, security interests and other encumbrances against Estate property will be fully released and discharged as of the Effective Date, and all of the rights and interests of the holders of such liens, security interests, and other encumbrances shall vest in the Reorganized Debtor, its successors and assigns.

5. **Further Actions.** Pursuant to Section 1142(b), the Confirmation Order shall operate as an order of the Court directing the Debtor and any other necessary parties to execute and deliver, or join in the execution and delivery, of any instrument required to perform any act that is necessary for the consummation of this Plan.

6. **Injunction:** As of the Effective Date, all entities that have held, currently hold, or may hold any Claims or Interests that are fully satisfied and released pursuant to the Plan are permanently enjoined from taking any actions against any released entity or its property on account of such Claims or Interests, including (a) commencing or continuing any action or other proceeding; (b) enforcing in any manner any judgment, award or decree; (c) creating, perfecting or enforcing any lien or other encumbrance; (d) asserting a right of setoff, subrogation or recoupment of any kind against any debt, liability, or obligation due to any released entity; and (e) commencing or continuing, in any manner, any action that does not comply with or is inconsistent with the provisions of the Plan. Upon Confirmation of the Plan, each such holder is deemed to be bound by

this injunction.

7. **Tax Consequences of the Plan:** Creditors and Equity Interest Holders concerned with how confirmation of the plan may affect their tax liability should consult with their own accountants, attorneys, and/or other advisors.

ARTICLE XII

Post-Confirmation Management

The Post-Confirmation Manager of the Reorganized Debtor, and his compensation, shall continue to be Brian Brown, who will begin drawing a monthly salary of \$3,000 commencing on the Effective Date.

ARTICLE XIII

Feasibility of Plan

The Bankruptcy Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. **Ability to Initially Fund Plan:** The Plan Proponent believes that the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the Claims and expenses that are entitled to be paid on that date. As Debtor comes out of the winter season, cash flow should not be a problem. Additionally, Debtor's year-to-date performance has exceeded expectations.

2. **Ability to Make Future Plan Payments and Operate Without Further Reorganization:** The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are included in Exhibit C.

3. **Risk Factors:** There are no particularly unusual risk factors present in this case. Common risks which might cause a problem with funding distributions to be made under the Plan would include:

- a. Weather. The retail ice cream business obviously is weather dependent. Cool summers might decrease sales; mild winters might increase them. Debtor's addition of breakfast to its menu will serve to mitigate the effect of winter on sales.
- b. Management. The success or failure of a fast food outlet depends upon good management, as profit margins are tight in this industry. Debtor does a good job managing this business, as indicated by the fact that it survived the calamities described in Article III B and is still able to fund this Plan.

c. Unforeseen circumstances. It is hard to imagine that more problems of unforeseen cause might afflict the Debtor, but it certainly is possible.

The Debtor expects that good management on the expense side and the introduction of advertising and breakfast to its business operations on the income side will prevent the need for any future liquidation of this business.

ARTICLE XIV

Liquidation Valuation

To confirm the Plan, the Bankruptcy Court must find that all Creditors and Equity Interest holders who do not accept the Plan will receive at least as much under the Plan as such Claimants and Equity Interest holders would receive in a Chapter 7 liquidation. A liquidation analysis in this case is quite straightforward. Midwest Regional Bank holds a "wall-to-wall" lien on Debtor's real and personal property. It is owed approximately \$1,800,000 against an appraised value of \$1,450,000. Thus, any liquidation of the debtor would be insufficient to satisfy the Debt to Midwest Regional Bank and there would be no distribution to unsecured creditors.

NOTE: Any recovery on the counterclaim pending against MWRB shall be applied first, to reduce the balance due on the secured portion of its Secured Claim, \$1,450,000, second, to reduce its unsecured claim, and finally, to be added to Available Cash until all creditors are paid in full with interest from the Effective Date at the rate of 3% annually.

ARTICLE XV

General Provisions

1. Modification of Plan: The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Bankruptcy Court may require a new disclosure statement and/or re-voting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Bankruptcy Court confirms the Plan as modified.

2. Request for Confirmation. To the extent necessary, the Debtor hereby requests the Court to enter an Order confirming the Plan.

3. Cram-Down. If any impaired Class under the Plan in accordance with Sections 1126 and 1129(a)(8) of the Bankruptcy Code fails to accept the Plan, the Debtor reserves the right to request the Bankruptcy Court to confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code and to cause such modification of the Plan as is necessary to enable the Plan to provide treatment of claims to satisfy the requirements of Section 1129(b) of the Bankruptcy Code.

4. Exculpation. None of the Reorganized Debtor, the Creditors' Committee or any of

their respective members, officers, directors, employees, attorneys, advisors or agents shall have or incur any liability to any holder of a Claim or Interest for any act or omission in connection with, or arising out of, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan except for willful misconduct or gross negligence, and, in all respects, the Reorganized Debtor, the Creditors' Committee and each of their respective members, officers, directors, employees, attorneys, advisors and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

5. Notices. Any notice required or permitted to be provided under the Plan shall be in writing and served by either (a) first-class mail, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, all charges prepaid, to be addressed as follows:

To the Debtor:

StephChris of Missouri, LLC.
14 Park Place, Suite D
Swansea, IL 62226
Attn: Brian Brown

with copies to:

A. Thomas DeWoskin
Attorney at Law
7701 Forsyth Blvd., Suite 800
St. Louis, Missouri 63105

6. Severability: If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

7. Captions: The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8. Final Decree: Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Bankruptcy Court shall designate in the Plan Confirmation Order, shall file a motion with the Bankruptcy Court to obtain a final decree to close the case. Alternatively, the Bankruptcy Court may enter such a final decree on its own motion.

9. Effect of Conversion. Should the case be converted to one under Chapter 7 of the Bankruptcy Code after the Confirmation Date but before substantial consummation, all property of the Reorganized Debtor at the time of conversion will vest in the Chapter 7 Estate.

(Signatures on next page)

Dated: February 17, 2017

STEPHCHRIS OF MISSOURI, LLC

DANNA MCKITRICK, PC

By: /s/ Brian D. Brown
Brian D. Brown, its Managing Member

By: /s/ A. Thomas DeWoskin
A. Thomas DeWoskin, #25320MO
7701 Forsyth Blvd., Suite 800
St. Louis, MO 63105
(314) 726-1000/(314) 725-6592 (fax)
tdewoskin@dmfirm.com

DEBTOR AND DEBTOR-IN-POSSESSION

ATTORNEYS FOR DEBTOR AND
DEBTOR-IN-POSSESSION

14916-0116: StephChris of Missouri, LLC/Workout: 1660297_7.docx

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI

In Re:)	
)	Case No. 16-45026-659
StephChris of Missouri, LLC)	Chapter 11
)	
Debtor.)	
)	

NOTICE OF FILING OF DEBTOR’S COMBINED PLAN AND DISCLOSURE STATEMENT AND HEARING ON ADEQUACY OF DISCLOSURES THEREIN AND ON CONFIRMATION OF PLAN

PLEASE TAKE NOTICE that StephChris of Missouri, LLC. (the “Debtor”) has filed a Combined Plan and Disclosure Statement (the “Plan”) which accompanies this notice, together with a Ballot for voting thereon.

FURTHER TAKE NOTICE that the Court has set a hearing on the adequacy of the disclosures contained in the Plan for **April 12, 2017 at 10:00 a.m.**, to be followed immediately thereafter by a hearing on the confirmation of the Plan; if appropriate;

FURTHER TAKE NOTICE that:

1. April 3, 2017 is the last day to submit a written ballot accepting or rejecting the Plan to Debtor’s counsel.
2. April 5, 2017 is the deadline for filing an objection to the adequacy of the information contained in the Plan
3. April 5, 2017 is the deadline for objecting to the confirmation the Plan.

FURTHER TAKE NOTICE that:

1. All hearings will be held in Courtroom 7N at 111 South Tenth Street, St. Louis, Missouri 63102.
2. All objections to the adequacy of the information contained in the Plan or to confirmation of the Plan must be filed with the Court and must state specifically the legal and factual basis for the objection. Copies of any objection must immediately be served on Debtors’ counsel at the address below, as well as all other entities described in L.R. 3020 A
3. All Ballots must be submitted to Debtor’s counsel at the address below. Such ballots must be received on or before 5:00 p.m. on the due date. Facsimile or e-mail transmission of ballots will not be accepted. Each holder of a claim may vote only once, and

4. Inconsistent multiple ballots submitted by the same Claim holder shall not be counted.

DANNA MCKITRICK, P.C.

by: /s/ A. Thomas DeWoskin
A. Thomas DeWoskin, #35230MO
Attorney for Debtor
7701 Forsyth Blvd., Suite 800
St. Louis, MO 63105-3907
(314) 726-1000/(314) 725-6592 (fax)
tdewoskin@dmfirm.com

Attorneys for Debtor and
Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In Re:) Case No. 16-45206-659
)
StephChris of Missouri, LLC.) Chapter 11
)
Debtor.) BALLOT
)

StephChris of Missouri, LLC, the Debtor herein, has filed a Small Business Debtor's Combined Plan of Reorganization and Disclosure Statement dated as of February 17, 2017 (the "Plan of Reorganization"). The Debtor believes that the combined document is sufficient to provide adequate information to creditors and dispense with the requirement of filing a separate Disclosure Statement to provide information to assist you in deciding how to vote this Ballot. The Plan of Reorganization can be confirmed only through the voting process described therein.

For your vote to count, you must complete and return this ballot. For various reasons, you may receive more than one ballot. Only one ballot per claimholder will be counted, and inconsistent ballots will not be counted at all.

_____ Check here if you hold a General Unsecured Claim in excess of \$2,000 which you voluntarily reduce to \$2000 in order to obtain Convenience Class treatment.

Indicate whether you _____ Accept OR _____ Reject (please check only one) the Debtor's Plan of Reorganization.

Name of Creditor (Print)

By:

Name:

Title:

Address:

This ballot must be received on or before 5:00 p.m., April 3, 2017 by:

**Ballots may not be submitted by
facsimile or by e-mail.**

A. Thomas DeWoskin, Esq.
Danna McKitrick, P.C.
7701 Forsyth Blvd., Suite 800
St. Louis, MO 63105
ATTORNEYS FOR DEBTOR

Supra Subs of Emissary, LLC
 Three Year Profit Comparison
 For Years Ended December 31, 2016, 2015, 2014

	<u>Jan - Dec 16</u>	<u>Jan - Dec 15</u>	<u>Jan - Dec 14</u>
Ordinary Income/Expense			
Income			
Counter Sales	\$ 409,912	\$ 395,334	\$ 382,270
Drive Thru Sales	602,951	561,303	529,981
Total Income	<u>1,012,863</u>	<u>956,637</u>	<u>912,251</u>
Cost of Goods Sold			
Cost of Goods Sold	278,523	280,417	238,124
Total COGS	<u>278,523</u>	<u>280,417</u>	<u>238,124</u>
Gross Profit	734,340	676,220	674,127
Expense			
Adequate Protections	24,000	-	-
Advertising and Promotion	59,768	60,131	56,980
Bank Service Charges	17,569	8,376	8,258
Cash Discounts	(5,547)	(33)	(1,182)
Cash Over and Short	(21)	(1,002)	(5,711)
Cleaning and Sanitation	5,096	6,710	5,937
Computer and Internet Exp	815	-	-
Data Processing	180	100	200
Donations	230	-	(169)
Dues and Subscriptions	92	35	336
Equipment Rental	57,890	49,683	13,353
Insurance Expense	13,466	9,515	8,992
Interest Expense	18,496	83,576	82,884
Licenses	569	1,224	666
Meals and Entertainment	514	1,643	214
Miscellaneous Expense	47	874	(2,992)
Office Supplies	894	2,461	1,152
Other Operating Expenses	7,071	9,449	7,430
Payroll Expenses	280,318	298,595	254,214
Payroll Taxes	26,270	27,752	23,939
Postage and Delivery	5	-	-
Professional Fees	83,293	41,325	38,939
Repairs and Maintenance	16,723	12,390	10,197
Royalties	33,827	36,373	36,315
Taxes - Property	131	2,997	19,495
Telephone Expense	360	329	400
Travel Expense	-	47	-
Uniforms	1,504	-	977

Three Year Profit Comparison

For Years Ended December 31, 2016, 2015, 2014

Utilities	30,358	36,473	34,467
Total Expense	<u>673,919</u>	<u>689,022</u>	<u>595,291</u>
Net Ordinary Income	60,422	(12,803)	78,836
Other Income			
Business Interruption Loss	<u>9,501</u>	<u> </u>	<u> </u>
Total Other Income	<u>9,501</u>	<u> </u>	<u> </u>
Other Expense			
Trustee Fee	1,625		
Prior Year Prop Taxes		13,159	-
Amortization		6,560	6,560
Depreciation Expense		115,441	100,707
Management Fee - Nelczyk		<u>1,167</u>	<u>7,333</u>
Total Other Expense	<u>1,625</u>	<u>136,327</u>	<u>114,600</u>
Net Other Income	7,876	(136,327)	(114,600)
Net Income	<u>\$ 68,297</u>	<u>\$ (149,129)</u>	<u>\$ (35,764)</u>

StephChris of Missouri, LLC
Notes to 2016 Results

Revenues

Sales in 2015 were approximately \$951,000 while in 2016 sales rose to approximately \$1,012,000, an increase of approximately 5.5%. As discussed in the Plan, there were many outside issues which crippled sales in 2013, 2014, 2015, and even early 2016 because of delays in completing repairs to the building.

Once normal operations resumed in 2016, sales increased to more expected levels. As an example, revenue for the period of October 1, 2016 through November 30, 2016 increased by 18% over the previous year.

This sales increase in 2016 occurred despite very little local store advertising effort, which had been suspended to conserve funds. The St. Louis South County market has historically been coupon sensitive. With the resumption of coupon distribution and other efforts in 2017, Debtor expects sales to continue their increase at about the 5.5% rate going forward.

Expenses

Adequate Protection

This figure represents temporary monthly payments to Midwest Regional Bank as ordered by the Court in lieu of regular note payments while the Company was under Chapter 11 protection. After the Plan of Reorganization is confirmed, this expense will be replaced by regular monthly payments of principal and interest.

Professional Fees in 2016

Professional fees were significant in 2016 due to litigation and the resultant bankruptcy filing. While there will be continue to be professional fees for ongoing services in 2017 both prior to and after confirmation, these costs will decrease substantially in mid-2017 and beyond.

Summary of Payments to General Unsecured Creditors

Projected Payments To Unsecured Creditors - Year 1	\$ 22,781
Projected Payments To Unsecured Creditors - Year 2	132,923
Projected Payments To Unsecured Creditors - Year 3	200,570
Total Three Year Projected Payments To Unsecured Creditors	<u>\$ 356,274</u>
Approximate Total Unsecured Debt	<u>\$ 570,000</u>
Percentage of Unsecured Debt Projected to be Repaid	<u>63%</u>

StephChris of Missouri, LLC
 Chapter 11 Reorganization
 10 Months Ending December 2017

	Mar	Apr	May	Jun
Sales	\$112,565	\$114,513	\$132,181	\$131,659
Cost of Goods Sold				
Cost of Goods Non Breakfast	28,998	29,544	34,407	34,345
Cost of Goods Breakfast	1,980	1,980	2,046	1,980
Total COGS	30,978	31,524	36,453	36,325
Gross Profit	81,587	82,989	95,728	95,335
Expense				
Advertising and Promotion	8,628	8,726	9,609	9,583
Bank Service Charges	1,050	1,150	1,500	1,500
Cash Discounts	(50)	(50)	(50)	(50)
Cash Over and Short	25	25	25	25
Cleaning and Sanitation	510	510	510	510
Data Processing	175	175	175	175
Dues and Subscriptions	40	40	40	40
Equipment Rental	7,743	10,031	10,031	10,031
Insurance Expense	800	800	800	800
Licenses	100	100	100	100
Meals and Entertainment	20	20	20	20
Miscellaneous Expense	70	70	70	70
Office Supplies	200	200	200	200
Other Operating Expenses	1,500	1,500	1,500	1,500
Store Payroll Expenses	26,463	26,853	30,386	30,282
Officer Compensation	3,000	3,000	3,000	3,000
Payroll Taxes	3,094	3,135	3,506	3,495
Professional Fees	7,500	7,500	3,500	3,500
Repairs and Maintenance	1,100	1,100	1,100	1,100
Royalties	4,503	4,581	5,287	5,266
Taxes - Property	1,500	1,500	1,500	1,500
Telephone Expense	90	90	90	90

StephChris of Missouri, LLC
Chapter 11 Reorganization
10 Months Ending December 2017

	Mar	Apr	May	Jun
Travel Expense	-	-	-	-
Utilities	3,100	3,100	3,100	3,100
Total Expense	68,060	71,054	72,899	72,737
Net Cash Flow Before Debt Service	13,526	11,935	22,829	22,598

Adequate Protection				
MWRB Note Payment	7,784	7,784	7,784	7,784
Missouri Depart. of Revenue Payment	2,415	2,415	2,415	2,415
IRS Payment	1,513	1,513	1,513	1,513
St. Louis County Tax Payment	939	939	939	939

Total Debt Payments	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651
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Net Cash Flow for Unsecured Creditors	\$ 875	\$ (716)	\$ 10,178	\$ 9,947
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Ending Cash Position Before Unsecured Payments	\$ 5,000	\$ 5,875	\$ 5,159	\$ 15,338	\$ 25,285
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Available for Unsecured Creditors					
Cumulative Prior Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Payments Current Month	\$ -	\$ -	\$ -	\$ -	\$ 285
Cumulative Payments	\$ -	\$ -	\$ -	\$ -	\$ 285

Ending Cash Position	\$ 5,875	\$ 5,159	\$ 15,338	\$ 25,000
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StephChris of Missouri, LLC
Chapter 11 Reorganization
10 Months Ending December 2017

		Jul	Aug	Sep	Oct	Nov	Dec		12 Month Total
Sales		\$126,788	\$119,228	\$103,102	\$102,249	\$ 87,831	\$ 84,708	\$	1,114,824

		Jul	Aug	Sep	Oct	Nov	Dec		12 Month Total
Cost of Goods Sold									
Cost of Goods Non Breakfast		32,897	30,780	26,348	26,110	22,157	21,282	21,282	286,867
Cost of Goods Breakfast		2,046	2,046	1,980	1,980	1,914	1,914	1,914	19,866
Total COGS		34,943	32,826	28,328	28,090	24,071	23,196	23,196	306,733
Gross Profit		91,846	86,402	74,773	74,159	63,761	61,512	61,512	808,091

		Jul	Aug	Sep	Oct	Nov	Dec		12 Month Total
Expense									
Advertising and Promotion		9,339	6,961	6,155	6,112	5,392	5,235	5,235	75,741
Bank Service Charges		1,100	1,050	1,000	1,000	1,000	1,000	1,000	11,350
Cash Discounts		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(500)
Cash Over and Short		25	25	25	25	25	25	25	250
Cleaning and Sanitation		510	510	510	510	510	510	510	5,100
Data Processing		175	175	175	175	175	175	175	1,750
Dues and Subscriptions		40	40	40	40	40	40	40	400
Equipment Rental		9,201	9,201	9,201	6,913	6,913	6,273	6,273	85,538
Insurance Expense		800	800	800	800	800	800	800	8,000
Licenses		100	100	100	100	100	100	100	1,000
Meals and Entertainment		20	20	20	20	20	20	20	200
Miscellaneous Expense		70	70	70	70	70	70	70	700
Office Supplies		200	200	200	200	200	200	200	2,000
Other Operating Expenses		1,500	1,500	1,500	1,500	1,500	1,500	1,500	15,000
Store Payroll Expenses		29,308	27,796	24,570	24,400	21,516	20,892	20,892	262,465
Officer Compensation		3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000
Payroll Taxes		3,392	3,234	2,895	2,877	2,574	2,509	2,509	30,709
Professional Fees		3,500	3,500	3,500	3,500	3,500	3,500	3,500	43,000
Repairs and Maintenance		1,100	1,100	1,100	1,100	1,100	1,100	1,100	11,000
Royalties		5,072	4,769	4,124	4,090	3,513	3,388	3,388	44,593
Taxes - Property		1,500	1,500	1,500	1,500	1,500	1,500	1,500	15,000
Telephone Expense		90	90	90	90	90	90	90	900

StephChris of Missouri, LLC
Chapter 11 Reorganization
10 Months Ending December 2017

	Jul	Aug	Sep	Oct	Nov	Dec	12 Month Total
Travel Expense	-	-	-	-	-	-	-
Utilities	3,100	3,100	3,100	3,100	3,100	3,100	31,000
Total Expense	69,992	65,591	60,525	57,972	53,488	51,877	644,196
Net Cash Flow Before Debt Service	21,854	20,811	14,248	16,187	10,272	9,635	163,895
Adequate Protection							-
MWRB Note Payment	7,784	7,784	7,784	7,784	7,784	7,784	77,839
Missouri Depart. of Revenue Payment	2,415	2,415	2,415	2,415	2,415	2,415	24,152
IRS Payment	1,513	1,513	1,513	1,513	1,513	1,513	15,126
St. Louis County Tax Payment	939	939	939	939	939	939	9,392
Total Debt Payments	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 126,509
Net Cash Flow for Unsecured Creditors	\$ 9,203	\$ 8,160	\$ 1,597	\$ 3,536	\$ (2,379)	\$ (3,016)	\$ 37,386
Ending Cash Position Before Unsecured Payments	\$ 5,000	\$ 34,487	\$ 42,648	\$ 44,245	\$ 47,781	\$ 45,402	\$ 42,386
Available for Unsecured Creditors							
Cummulative Prior Payments	\$ 285	\$ 9,487	\$ 17,648	\$ 19,245	\$ 22,781	\$ 22,781	\$ 22,781
Payments Current Month	\$ 9,203	\$ 8,160	\$ 1,597	\$ 3,536	\$ -	\$ -	\$ -
Cummulative Payments	\$ 9,487	\$ 17,648	\$ 19,245	\$ 22,781	\$ 22,781	\$ 22,781	\$ 22,781
Ending Cash Position	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 22,621	\$ 19,605	

Notes

Revenue

There are several components to projected revenue for 2017. The line entitled Additional Sales From Growth Rate assumes a continued 5.5% growth rate.

The line entitled Sales Lost Due to Car Crash reflects an allowance for the period during which the car crash in October, 2015 went unrepaired. The hole in the wall was not repaired until April 2016.

The line entitled Additional Sales From Advertising reflects our estimate of sales growth once we resume our local store marketing efforts. These efforts were discontinued in January, 2016.

The line entitled Additional Sales From Breakfast reflects the enhanced revenue expected when we institute the breakfast program. We are assuming \$300 of additional revenue per operating day.

	Jan	Feb	Mar	Apr	May	Jun
Actual Recorded Revenues From Previous Year	\$ 64,899	\$ 68,080	\$ 81,874	\$ 91,353	\$ 106,391	\$ 106,198
Additional Sales From Growth Rate	3,569	3,744	4,503	5,024	5,851	5,841
Sales Lost Due To Car Crash	9,300	8,400	9,000			
Additional Sales From Advertising		6,808	8,187	9,135	10,639	10,620
Additional Sales From Breakfast			9,000	9,000	9,300	9,000
Projected Total Sales	\$ 77,768	\$ 87,033	\$ 112,565	\$ 114,513	\$ 132,181	\$ 131,659

	Jul	Aug	Sep	Oct	Nov	Dec
Actual Recorded Revenues From Previous Year	\$ 101,721	\$ 95,175	\$ 81,473	\$ 80,735	\$ 68,512	\$ 65,808
Additional Sales From Growth Rate	5,595	5,235	4,481	4,440	3,768	3,619
Sales Lost Due To Car Crash						
Additional Sales From Advertising Implementation	10,172	9,518	8,147	8,074	6,851	6,581
Additional Sales From Breakfast	9,300	9,300	9,000	9,000	8,700	8,700
Projected Total Sales	\$ 126,788	\$ 119,228	\$ 103,102	\$ 102,249	\$ 87,831	\$ 84,708

Summary - Year 1 Projected Annual Sales	First Six Months	Second Six Months	Total Annual
Non-Breakfast	\$ 619,419	\$ 569,906	\$ 1,189,325
Breakfast	\$ 36,300	\$ 54,000	\$ 90,300
			<u>\$ 1,279,625</u>

Expenses

Cost Of Goods Sold

In 2015 this expense represented 27.3% of revenues. For the purpose of the Plan, we are estimating 27.8% of non-breakfast revenues. The breakfast product line has a lower cost of sales. For the purpose of the Plan, we are estimating 22.0% of non-breakfast revenues.

Advertising and Promotion

Debtor makes a contractual Advertising Contribution of 5% to the IDQ National Ad Fund. After the Plan is confirmed, beginning in March Debtor will spend an additional \$1,000 per month on local store marketing efforts such as direct mail couponing and local store advertisements.

Additionally, beginning in March, we will spend an extra \$2,000 per month for 6 months to promote our breakfast launch.

National Coop advertising	\$ 63,981
Local store marketing	12,000
Breakfast advertising	12,000
Total Projected Marketing	<u>\$ 87,981</u>

Notes

Equipment Rental

Payments will reduce over time as installment purchases are paid off

	Payment At Start of Plan	Payment At Start						
		Jan	Feb	Mar	Apr	May	Jun	
Financial Pacific	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537
Pawnee 2	830	830	830	830	830	830	830	830
Direct Capital	640	640	640	640	640	640	640	640
Direct Capital 2	188	188	188	188	188	188	188	188
Axis	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192
US Bank1	1,170	1,170	1,170	1,170	2,340	2,340	2,340	2,340
US Bank 2	1,118	1,118	1,118	1,118	2,236	2,236	2,236	2,236
Coke Freestyle	483	483	483	483	483	483	483	483
Roanoke Group 1	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Total Monthly Payment:	\$ 7,743	\$ 7,743	\$ 7,743	\$ 7,743	\$ 10,031	\$ 10,031	\$ 10,031	\$ 10,031

	Payment At Start of Plan	Payment At Start						
		Jul	Aug	Sep	Oct	Nov	Dec	
Financial Pacific	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537
Pawnee 2	830	-	-	-	-	-	-	-
Direct Capital	640	640	640	640	640	640	640	640
Direct Capital 2	188	188	188	188	188	188	188	188
Axis	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192
US Bank1	1,170	2,340	2,340	2,340	1,170	1,170	1,170	1,170
US Bank 2	1,118	2,236	2,236	2,236	1,118	1,118	1,118	1,118
Coke Freestyle	483	483	483	483	483	483	483	483
Roanoke Group 1	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Total Monthly Payment:	\$ 7,743	\$ 9,201	\$ 9,201	\$ 9,201	\$ 6,913	\$ 6,913	\$ 6,273	\$ 6,273

Roanoke Group 1, LLC is another DQ with which the Debtor shares this rental expense.

Officer Compensation

Resumption of wages for Brian Brown

Payroll Taxes

Reflects 10.5% of payroll all expenses.

Professional Fees

These expenses reflect the costs for legal representation related to the Chapter 11 case, and for the resumption of accounting work after confirmation.

Adequate Protection

Court ordered payment to creditor Midwest Regional Bank is replaced by regular note payments upon confirmation

MWRB Note Payment

Secured Portion of Loan	\$	1,450,000
Interest Rate		5.0%
Term		30
		Monthly Annual
MWRB Payments	\$	7,784 93,407

Ballon Payment due after 15 Years

Notes

Missouri Department of Revenue Payment

Tax balance paid over 5 years from 07/15/16

Amount of Claim	
Claim 2	\$ 49,656
Claim 3	46,659
Claim 4	27,047
	<u>\$ 123,363</u>

Interest Rate 4.0%

	<u>Monthly</u>	<u>Annual</u>
Payments	\$2,415.16	28,982

IRS Payment

Tax balance paid over 5 years from 07/15/16

Amount of Claim	
Claim 6-3	\$ 77,263
	<u>\$ 77,263</u>

Interest Rate 4.0%

	<u>Monthly</u>	<u>Annual</u>
Payments	\$1,512.64	\$ 18,152

St. Louis County Tax Payment

Tax balance paid over 5 years from 07/15/16

Amount of Claim	
Per County	\$ 45,778
Estimate	2,195
	<u>\$ 47,973</u>

Interest Rate 4.0%

	<u>Monthly</u>	<u>Annual</u>
Payments	\$939.20	\$ 11,270

All other projected expenses based on historical data

StephChris of Missouri, LLC
Calendar Year 2018

	Jan	Feb	Mar	Apr	May	Jun
Sales	\$ 91,046	\$ 100,220	\$118,756	\$120,811	\$139,451	\$138,900
Cost of Goods Sold						
Cost of Goods Non Breakfast	22,609	25,178	30,368	30,943	36,162	36,008
Cost of Goods Breakfast	2,363	2,134	2,287	2,363	2,363	2,287
Total COGS	24,972	27,312	32,655	33,306	38,525	38,295
Gross Profit	66,074	72,908	86,101	87,505	100,926	100,605
Expense						
Advertising and Promotion	6,463	7,013	8,125	8,249	9,367	9,334
Bank Service Charges	900	900	1,050	1,150	1,500	1,500
Cash Discounts	(50)	(50)	(50)	(50)	(50)	(50)
Cash Over and Short	25	25	25	25	25	25
Cleaning and Sanitation	510	510	510	510	510	510
Data Processing	175	175	175	175	175	175
Dues and Subscriptions	40	40	40	40	40	40
Equipment Rental	5,736	4,544	4,544	4,544	4,544	4,544
Insurance Expense	800	800	800	800	800	800
Licenses	100	100	100	100	100	100
Meals and Entertainment	20	20	20	20	20	20
Miscellaneous Expense	70	70	70	70	70	70
Office Supplies	200	200	200	200	200	200
Other Operating Expenses	1,500	1,500	1,500	1,500	1,500	1,500
Payroll Expenses	22,159	23,994	27,701	28,112	31,840	31,730
Officer Compensation	3,000	3,000	3,000	3,000	3,000	3,000
Payroll Taxes	2,642	2,834	3,224	3,267	3,658	3,647
Professional Fees	1,500	1,500	1,500	1,500	1,500	1,500
Repairs and Maintenance	1,100	1,100	1,100	1,100	1,100	1,100
Royalties	3,642	4,009	4,750	4,832	5,578	5,556
Taxes - Property	1,500	1,500	1,500	1,500	1,500	1,500
Telephone Expense	90	90	90	90	90	90
Travel Expense	-	-	-	-	-	-

StephChris of Missouri, LLC
Calendar Year 2018

	Jan	Feb	Mar	Apr	May	Jun
Utilities	3,100	3,100	3,100	3,100	3,100	3,100
Total Expense	52,121	53,874	59,974	60,734	67,068	66,891
Net Cash Flow Before Debt Service	13,952	19,033	26,127	26,771	33,858	33,715

MWRB Note Payment	7,784	7,784	7,784	7,784	7,784	7,784
Missouri Depart. of Revenue Payment	2,415	2,415	2,415	2,415	2,415	2,415
IRS Payment	1,513	1,513	1,513	1,513	1,513	1,513
St. Louis County Tax Payment	939	939	939	939	939	939

Total Debt Payments	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651
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Net Cash Flow For Unsecured Creditor Payments	\$ 1,301	\$ 6,383	\$ 13,476	\$ 14,120	\$ 21,207	\$ 21,064
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Ending Cash Position Before Paying Unsecured Creditors	\$ 19,605	\$ 20,907	\$ 27,289	\$ 40,765	\$ 54,885	\$ 76,092	\$ 97,156
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Available for Unsecured Creditors							
Cummulative Prior Payments	\$ -	\$ -	\$ 2,289	\$ 15,765	\$ 29,885	\$ 51,092	
Payments Current Month	\$ -	\$ 2,289	\$ 13,476	\$ 14,120	\$ 21,207	\$ 21,064	
Cummulative Payments	\$ -	\$ 2,289	\$ 15,765	\$ 29,885	\$ 51,092	\$ 72,156	

Ending Cash Position	\$ 20,907	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
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StephChris of Missouri, LLC
Calendar Year 2018

	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales	\$133,762	\$125,785	\$108,772	\$107,873	\$ 92,662	\$ 89,367	\$ 1,367,404
Cost of Goods Sold							
Cost of Goods Non Breakfast	34,569	32,336	27,572	27,320	23,061	22,139	348,265
Cost of Goods Breakfast	2,363	2,363	2,287	2,363	2,211	2,287	27,671
Total COGS	36,932	34,699	29,859	29,683	25,272	24,426	375,937
Gross Profit	96,829	91,086	78,913	78,189	67,390	64,941	991,468
Expense							
Advertising and Promotion	9,026	8,547	7,526	7,472	6,560	6,362	94,044
Bank Service Charges	1,100	1,050	1,000	1,000	1,000	1,000	13,150
Cash Discounts	(50)	(50)	(50)	(50)	(50)	(50)	(600)
Cash Over and Short	25	25	25	25	25	25	300
Cleaning and Sanitation	510	510	510	510	510	510	6,120
Data Processing	175	175	175	175	175	175	2,100
Dues and Subscriptions	40	40	40	40	40	40	480
Equipment Rental	4,544	4,544	4,544	4,544	4,544	2,959	54,135
Insurance Expense	800	800	800	800	800	800	9,600
Licenses	100	100	100	100	100	100	1,200
Meals and Entertainment	20	20	20	20	20	20	240
Miscellaneous Expense	70	70	70	70	70	70	840
Office Supplies	200	200	200	200	200	200	2,400
Other Operating Expenses	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Payroll Expenses	30,702	29,107	25,704	25,525	22,482	21,823	320,881
Officer Compensation	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Payroll Taxes	3,539	3,371	3,014	2,995	2,676	2,606	37,472
Professional Fees	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Repairs and Maintenance	1,100	1,100	1,100	1,100	1,100	1,100	13,200
Royalties	5,350	5,031	4,351	4,315	3,706	3,575	54,696
Taxes - Property	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Telephone Expense	90	90	90	90	90	90	1,080
Travel Expense	-	-	-	-	-	-	-

StephChris of Missouri, LLC
Calendar Year 2018

	Jul	Aug	Sep	Oct	Nov	Dec	Total
Utilities	3,100	3,100	3,100	3,100	3,100	3,100	37,200
Total Expense	64,841	62,231	56,720	56,431	51,548	48,906	701,339
Net Cash Flow Before Debt Service	31,988	28,855	22,193	21,758	15,842	16,036	290,129

MWRB Note Payment	7,784	7,784	7,784	7,784	7,784	7,784	93,407
Missouri Depart. of Revenue Payment	2,415	2,415	2,415	2,415	2,415	2,415	28,982
IRS Payment	1,513	1,513	1,513	1,513	1,513	1,513	18,152
St. Louis County Tax Payment	939	939	939	939	939	939	11,270

Total Debt Payments	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 151,811
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Net Cash Flow For Unsecured Creditor Payments	\$ 19,337	\$ 16,204	\$ 9,543	\$ 9,107	\$ 3,191	\$ 3,385	\$ 138,318
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Ending Cash Position Before Paying Unsecured Creditors	\$ 19,605	\$ 116,493	\$ 132,698	\$ 142,240	\$ 151,347	\$ 154,538	\$ 157,923
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Available for Unsecured Creditors							
Cumulative Prior Payments	\$ 72,156	\$ 91,493	\$ 107,698	\$ 117,240	\$ 126,347	\$ 129,538	
Payments Current Month	\$ 19,337	\$ 16,204	\$ 9,543	\$ 9,107	\$ 3,191	\$ 3,385	
Cumulative Payments	\$ 91,493	\$ 107,698	\$ 117,240	\$ 126,347	\$ 129,538	\$ 132,923	

Ending Cash Position	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
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Notes

Revenue

For the Calendar Year Ended December 31, 2016, Revenue increased 5.5% over the same period in 2015. The line entitled Additional Sales From Growth assumes this trend will continue.

		Jan	Feb	Mar	Apr	May	Jun
Projected Revenues From Previous Year		\$ 77,768	\$ 87,033	\$ 112,565	\$ 114,513	\$ 132,181	\$ 131,659
Additional Sales From Growth	5.50%	4,277	4,787	6,191	6,298	7,270	7,241
Additional Sales From Breakfast (Included in total revenues as of March)		9,000	8,400				
Projected Total Sales		\$ 91,046	\$ 100,220	\$ 118,756	\$ 120,811	\$ 139,451	\$ 138,900

		Jul	Aug	Sep	Oct	Nov	Dec
Projected Revenues From Previous Year		\$ 126,788	\$ 119,228	\$ 103,102	\$ 102,249	\$ 87,831	\$ 84,708
Additional Sales From Growth	5.50%	6,973	6,558	5,671	5,624	4,831	4,659
Projected Total Sales		\$ 133,762	\$ 125,785	\$ 108,772	\$ 107,873	\$ 92,662	\$ 89,367

Projected Total Sales

Annual Sales		
Non-Breakfast		\$ 1,254,004
Breakfast		113,400
		\$ 1,367,404

Equipment Rental

	Payment At Start of Plan	Jan	Feb	Mar	Apr	May	Jun
Financial Pacific	\$ 537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pawnee 2	830	-	-	-	-	-	-
Direct Capital	640	-	-	-	-	-	-
Direct Capital 2	188	188	188	188	188	188	188
Axis	1,192	1,192	-	-	-	-	-
US Bank1	1,170	1,170	1,170	1,170	1,170	1,170	1,170
US Bank 2	1,118	1,118	1,118	1,118	1,118	1,118	1,118
Coke Freestyle	483	483	483	483	483	483	483
Roanoke Group 1	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Total Monthly Payments	\$ 7,743	\$ 5,736	\$ 4,544	\$ 4,544	\$ 4,544	\$ 4,544	\$ 4,544

\$ -

	Payment At Start of Plan	Jul	Aug	Sep	Oct	Nov	Dec
Financial Pacific	\$ 537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pawnee 2	830	-	-	-	-	-	-
Direct Capital	640	-	-	-	-	-	-
Direct Capital 2	188	188	188	188	188	188	188
Axis	1,192	-	-	-	-	-	-
US Bank1	1,170	1,170	1,170	1,170	1,170	1,170	1,170
US Bank 2	1,118	1,118	1,118	1,118	1,118	1,118	1,118
Coke Freestyle	483	483	483	483	483	483	483
Roanoke Group 1	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Total Monthly Payments	\$ 7,743	\$ 4,544	\$ 4,544	\$ 4,544	\$ 4,544	\$ 4,544	\$ 2,959

Roanoke Group 1, LLC is another DQ with which the Debtor shares certain rental expenses.

StephChris of Missouri, LLC
Chapter 11 Reorganization Plan
Calendar Year 2019

	Jan	Feb	Mar	Apr	May	Jun
Sales	\$ 96,053	\$ 105,732	\$125,287	\$127,456	\$147,121	\$146,540
Cost of Goods Sold						
Cost of Goods Non Breakfast	24,011	26,721	32,196	32,804	38,310	38,147
Cost of Goods Breakfast	2,476	2,236	2,396	2,476	2,476	2,396
Total COGS	26,487	28,957	34,592	35,279	40,786	40,543
Gross Profit	69,567	76,775	90,695	92,176	106,335	105,997
Expense						
Advertising and Promotion	6,763	7,344	8,517	8,647	9,827	9,792
Bank Service Charges	900	900	1,050	1,150	1,500	1,500
Cash Discounts	(50)	(50)	(50)	(50)	(50)	(50)
Cash Over and Short	25	25	25	25	25	25
Cleaning and Sanitation	510	510	510	510	510	510
Data Processing	175	175	175	175	175	175
Dues and Subscriptions	40	40	40	40	40	40
Equipment Rental	2,959	1,789	1,601	1,601	1,601	1,601
Insurance Expense	800	800	800	800	800	800
Licenses	100	100	100	100	100	100
Meals and Entertainment	20	20	20	20	20	20
Miscellaneous Expense	70	70	70	70	70	70
Office Supplies	200	200	200	200	200	200
Other Operating Expenses	1,500	1,500	1,500	1,500	1,500	1,500
Payroll Expenses	23,161	25,096	29,007	29,441	33,374	33,258
Officer Compensation	3,000	3,000	3,000	3,000	3,000	3,000
Payroll Taxes	2,747	2,950	3,361	3,406	3,819	3,807
Professional Fees	1,500	1,500	1,500	1,500	1,500	1,500
Repairs and Maintenance	1,100	1,100	1,100	1,100	1,100	1,100
Royalties	3,842	4,229	5,011	5,098	5,885	5,862
Taxes - Property	1,500	1,500	1,500	1,500	1,500	1,500
Telephone Expense	90	90	90	90	90	90
Travel Expense	-	-	-	-	-	-

StephChris of Missouri, LLC
Chapter 11 Reorganization Plan
Calendar Year 2019

	Jan	Feb	Mar	Apr	May	Jun
Utilities	3,100	3,100	3,100	3,100	3,100	3,100
Total Expense	50,952	52,889	59,128	59,924	66,587	66,400
Net Cash Flow Before Debt Service	18,615	23,886	31,567	32,252	39,749	39,597

MWRB Note Payment	7,784	7,784	7,784	7,784	7,784	7,784
Missouri Depart. of Revenue Payment	2,415	2,415	2,415	2,415	2,415	2,415
IRS Payment	1,513	1,513	1,513	1,513	1,513	1,513
St. Louis County Tax Payment	939	939	939	939	939	939

Total Debt Payments	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651
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Net Cash Flow For Unsecured Creditor Payments	\$ 5,964	\$ 11,235	\$ 18,916	\$ 19,601	\$ 27,098	\$ 26,946
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Ending Cash Position Before Paying Unsecured Creditors	\$ 19,605	\$ 25,569	\$ 36,805	\$ 55,721	\$ 75,322	\$ 102,420	\$ 129,366
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Available for Unsecured Creditors							
Cumulative Prior Payments	\$ -	\$ 569	\$ 11,805	\$ 30,721	\$ 50,322	\$ 77,420	
Payments Current Month	\$ 569	\$ 11,235	\$ 18,916	\$ 19,601	\$ 27,098	\$ 26,946	
Cumulative Payments	\$ 569	\$ 11,805	\$ 30,721	\$ 50,322	\$ 77,420	\$ 104,366	

Ending Cash Position	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
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StephChris of Missouri, LLC
Chapter 11 Reorganization Plan
Calendar Year 2019

	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales	\$141,118	\$132,703	\$114,755	\$113,806	\$ 97,758	\$ 94,282	\$ 1,442,612
Cost of Goods Sold							
Cost of Goods Non Breakfast	36,629	34,273	29,247	28,982	24,488	23,515	369,323
Cost of Goods Breakfast	2,476	2,476	2,396	2,476	2,316	2,396	28,989
Total COGS	39,105	36,749	31,643	31,457	26,804	25,911	398,312
Gross Profit	102,014	95,955	83,112	82,348	70,954	68,372	1,044,299
Expense							
Advertising and Promotion	9,467	8,962	7,885	7,828	6,866	6,657	98,557
Bank Service Charges	1,100	1,050	1,000	1,000	1,000	1,000	13,150
Cash Discounts	(50)	(50)	(50)	(50)	(50)	(50)	(600)
Cash Over and Short	25	25	25	25	25	25	300
Cleaning and Sanitation	510	510	510	510	510	510	6,120
Data Processing	175	175	175	175	175	175	2,100
Dues and Subscriptions	40	40	40	40	40	40	480
Equipment Rental	671	671	671	671	671	671	15,178
Insurance Expense	800	800	800	800	800	800	9,600
Licenses	100	100	100	100	100	100	1,200
Meals and Entertainment	20	20	20	20	20	20	240
Miscellaneous Expense	70	70	70	70	70	70	840
Office Supplies	200	200	200	200	200	200	2,400
Other Operating Expenses	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Payroll Expenses	32,174	30,491	26,901	26,711	23,502	22,806	335,922
Officer Compensation	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Payroll Taxes	3,693	3,517	3,140	3,120	2,783	2,710	39,052
Professional Fees	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Repairs and Maintenance	1,100	1,100	1,100	1,100	1,100	1,100	13,200
Royalties	5,645	5,308	4,590	4,552	3,910	3,771	57,704
Taxes - Property	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Telephone Expense	90	90	90	90	90	90	1,080
Travel Expense	-	-	-	-	-	-	-

StephChris of Missouri, LLC
Chapter 11 Reorganization Plan
Calendar Year 2019

	Jul	Aug	Sep	Oct	Nov	Dec	Total
Utilities	3,100	3,100	3,100	3,100	3,100	3,100	37,200
Total Expense	63,330	60,579	54,767	54,462	49,311	48,195	686,523
Net Cash Flow Before Debt Service	38,684	35,376	28,345	27,886	21,643	20,176	357,776

MWRB Note Payment	7,784	7,784	7,784	7,784	7,784	7,784	93,407
Missouri Depart. of Revenue Payment	2,415	2,415	2,415	2,415	2,415	2,415	28,982
IRS Payment	1,513	1,513	1,513	1,513	1,513	1,513	18,152
St. Louis County Tax Payment	939	939	939	939	939	939	11,270

Total Debt Payments	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 12,651	\$ 151,811
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Net Cash Flow For Unsecured Creditor Payments	\$ 26,033	\$ 22,725	\$ 15,694	\$ 15,235	\$ 8,992	\$ 7,525	\$ 205,965
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Ending Cash Position Before Paying Unsecured Creditors	\$ 19,605	\$ 155,399	\$ 178,124	\$ 193,818	\$ 209,053	\$ 218,045	\$ 225,570
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Available for Unsecured Creditors	\$ 104,366	\$ 130,399	\$ 153,124	\$ 168,818	\$ 184,053	\$ 193,045	\$ 193,045
Cumulative Prior Payments	\$ 26,033	\$ 22,725	\$ 15,694	\$ 15,235	\$ 8,992	\$ 7,525	\$ 7,525
Payments Current Month	\$ 130,399	\$ 153,124	\$ 168,818	\$ 184,053	\$ 193,045	\$ 200,570	\$ 200,570
Cumulative Payments							

Ending Cash Position	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
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Notes

Revenue

The Budget for Year 3 projects a 5.5% sales growth

		Jan	Feb	Mar	Apr	May	Jun
Projected Revenues From Previous Year		\$ 91,046	\$ 100,220	\$ 118,756	\$ 120,811	\$ 139,451	\$ 138,900
Additional Sales From Growth	5.50%	5,008	5,512	6,532	6,645	7,670	7,640
Projected Total Sales		\$ 96,053	\$ 105,732	\$ 125,287	\$ 127,456	\$ 147,121	\$ 146,540
		Jul	Aug	Sep	Oct	Nov	Dec
Projected Revenues From Previous Year		\$ 133,762	\$ 125,785	\$ 108,772	\$ 107,873	\$ 92,662	\$ 89,367
Additional Sales From Growth	5.50%	7,357	6,918	5,982	5,933	5,096	4,915
Projected Total Sales		\$ 141,118	\$ 132,703	\$ 114,755	\$ 113,806	\$ 97,758	\$ 94,282

Projected Total Sales

Annual Sales	\$ 1,442,612
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Equipment Rental

Payment At Start of

	Plan	Jan	Feb	Mar	Apr	May	Jun
Financial Pacific	\$ 537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pawnee 2	830	-	-	-	-	-	-
Direct Capital	640	-	-	-	-	-	-
Direct Capital 2	188	188	188	-	-	-	-
Axis	1,192	-	-	-	-	-	-
US Bank1	1,170	1,170	-	-	-	-	-
US Bank 2	1,118	1,118	1,118	1,118	1,118	1,118	1,118
Coke Freestyle	483	483	483	483	483	483	483
Roanoke Group 1	1,585	-	-	-	-	-	-
Total Monthly Payments	\$ 7,743	\$ 2,959	\$ 1,789	\$ 1,601	\$ 1,601	\$ 1,601	\$ 1,601

Payment At Start of

	Plan	Jul	Aug	Sep	Oct	Nov	Dec
Financial Pacific	\$ 537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pawnee 2	830	-	-	-	-	-	-
Direct Capital	640	-	-	-	-	-	-
Direct Capital 2	188	188	188	188	188	188	188
Axis	1,192	-	-	-	-	-	-
US Bank1	1,170	-	-	-	-	-	-
US Bank 2	1,118	-	-	-	-	-	-
Coke Freestyle	483	483	483	483	483	483	483
Roanoke Group 1	1,585	-	-	-	-	-	-
Total Monthly Payments	\$ 7,743	\$ 671	\$ 671	\$ 671	\$ 671	\$ 671	\$ 671