

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF ARKANSAS
LITTLE ROCK DIVISION**

**IN RE: SOLID ROCK HOLDINGS, LLC
Debtors in Possession.**

**CASE NO. 4:16-bk-16828
Chapter 11**

DISCLOSURE STATEMENT

I. INTRODUCTION

A. General

Solid Rock Holdings, LLC (hereinafter referred to as the “Debtor”) submits this Disclosure Statement to its creditors pursuant to 11 U.S.C. 1125 and 11 U.S.C. 101 *et seq.* (hereinafter referred to as the “Code”). The purpose of this Disclosure Statement is to provide the creditors of the Debtor with such information as the United States Bankruptcy Court has deemed material, important and necessary for the creditors of the Debtor to make a reasonably informed decision in exercising their right to vote on the Plan of Reorganization submitted by the Debtor (hereinafter sometimes referred to as the “Plan”). The Debtor seeks approval of this Disclosure Statement, but such approval is not tantamount to approval of the plan. A copy of the Plan accompanies this Disclosure Statement and was filed with the United States Bankruptcy Court for the Eastern District of Arkansas, Little Rock Division concurrently herewith. The definitions in Article I of the Plan are incorporated herein by reference and should be referred to in reading and analyzing the Plan and this Disclosure Statement.

NO REPRESENTATIONS CONCERNING THE DEBTOR, PARTICULARLY AS TO THE FUTURE BUSINESS OPERATIONS, THE VALUE OF ASSETS OF THE DEBTOR, THE AMOUNT OF THE DEBTOR’S LIABILITIES, OR THE DEBTOR’S NET WORTH, IF ANY, ARE AUTHORIZED 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 REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

The financial information contained in this Disclosure Statement, the Schedules and Statements of Financial Affairs filed by the Debtor in this proceeding and the operating reports filed with the Bankruptcy Court since the filing of the Petition for Relief on December 27, 2016, have not been subject to a certified audit.

FOR THIS REASON, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT INACCURACIES, ALTHOUGH AN EFFORT HAS BEEN MADE TO PRESENT THE INFORMATION FAIRLY AND ACCURATELY. THE INFORMATION, REPRESENTATIONS AND PROPOSALS SET FORTHIN THIS DISCLOSURE

STATEMENT AND IN THE ACCOMPANYING PLAN OF REORGANIZATION INVOLVE HIGHLY TECHNICAL AND COMPLEX ISSUES, AND CONSTITUTE A PROPOSAL FOR A LEGALLY BINDING AGREEMENT BETWEEN THE DEBTOR AND ITS CREDITORS. IN EVALUATING THIS PROPOSAL, ALL CREDITORS ARE STRONGLY ENCOURAGED AND ADVISED TO SEEK THE COUNSEL OF THEIR ATTORNEY.

B. Filing of Reorganization Proceeding

On December 27, 2016, the Debtor filed for relief pursuant to Chapter 11, Title 11, United States Code. Automatically upon the filing, the Debtor became Debtor-in-Possession, and since that time has operated in such capacity. The case has been assigned to the Honorable Richard D. Taylor, United States Bankruptcy Judge.

C. Manner of Voting

All creditors entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, signing and causing the ballot form which will be provided by subsequent mailing to be returned to counsel for the Debtor on or prior to the date fixed by the Bankruptcy Court in its order scheduling a hearing on confirmation of the Plan.

D. Bar Date

As of the date of filing of this Disclosure Statement, the Debtor had not obtained an Order setting a deadline for filing of claims. The Debtor will request the Court enter an Order setting a Bar Date for the filing of Proofs of Claims. Claimants will not be required to file a Proof of Claim unless such claims were scheduled by the Debtor as disputed, contingent, unliquidated, or are objected to by the Debtor or in the event such claimants disagree with the amount of the claim scheduled by the Debtor in the schedules filed with the Court. Notice of any such Bar Date shall be given by the Debtor to all creditors and parties in interest at a later date.

E. Confirmation of the Plan

1. **Solicitation of Votes.** This Disclosure Statement is intended to assist creditors in evaluating the Plan and in determining whether to accept the Plan.

UNDER THE BANKRUPTCY CODE, YOUR VOTE FOR ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNLESS YOU RECEIVE A COPY OF THIS DISCLOSURE STATEMENT PRIOR TO OR CONCURRENTLY WITH SUCH SOLICITATION. THE SOLICITATION OF VOTES ON THE PLAN IS GOVERNED BY THE PROVISIONS OF 11 U.S.C. 1125(b), THE VIOLATION OF WHICH MAY RESULT IN SANCTIONS BY THE COURT, INCLUDING DISALLOWANCE OF THE SOLICITED VOTE AND LOSS OF THE "SAFE HARBOR" PROVISIONS OF 11 U.S.C. 1125(e).

2. **Persons Entitled to Vote on the Plan.** Only the votes of creditors in the Classes that are impaired by the Plan will be computed to determine if the Plan is accepted by creditors.

3. **Hearing on Confirmation of the Plan.** The Court will schedule a hearing to determine if the Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Plan have been satisfied. Each creditor will receive, either with this Disclosure Statement or separately, the Court's Order setting hearing on confirmation of the Plan, which Order will also establish a deadline for filing objections to confirmation and a deadline for casting ballots accepting or rejecting the Plan.
4. **Acceptance Necessary to Confirm Plan.** At the confirmation hearing, the Court will determine, among other things, whether the Plan has been accepted by each impaired Class. A class or claim is impaired if it is not being paid in full in accord with its original terms. Pursuant to 11 U.S.C. 1126, an impaired Class is considered to have accepted the Plan if at least two-thirds in amount and more than one-half in number of the allowed claim of the Class members voting to accept or reject the Plan have voted for acceptance. In making its determination, the Bankruptcy Court will not count votes of those entities excluded pursuant to 11 U.S.C. 1126(e). Regardless of whether a creditor votes for the Plan, all creditors in a Class will be bound by the terms and conditions set forth in the Plan for that Class, if the Plan is accepted by the Class.
5. **Confirmation of Plan Without Necessary Acceptances.** Pursuant to 11 U.S.C. 1129(b), the Plan may be confirmed provided that the Plan has been accepted by at least one of the impaired Classes and if the Court finds that the Plan does not discriminate unfairly and is fair and equitable to such Class or Classes. The Debtor will rely upon this provision to seek confirmation of the respective Plan if it is not accepted by all impaired Classes.

IT IS IMPORTANT THAT YOU EXERCISE YOUR RIGHT TO VOTE FOR ACCEPTANCE OR REJECTION OF THE PLAN.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor, Solid Rock Holdings, LLC is a limited liability company organized under the laws of the State of Arkansas. The Debtor is a holding company which rents its assets to an affiliated company which is in the business of fabricating and installing counters and floors from granite, tile and other materials.

The Debtor owns real estate located at 18525 I-30 South, Benton, Arkansas 72015 consisting of 2.62 acres, more or less, with improvements consisting of 7,233 square foot detached office and showroom building with warehouse and 10,409 square foot detached manufacturing building with office and warehouse (the "RE").

The RE was appraised at the request of Bank of the Ozarks ("BO") in 2015. The RE appraisal opined to a liquidation value of \$1,188,000 and fair market value of \$1,828,000. The RE is subject to a first mortgage lien in favor of BO securing the approximate sum of \$1,367,490.

The RE is also subject to a second mortgage in favor of Arkansas Capital Corporation (“ACC”) in the approximate amount of \$980,000.

The RE is also subject to ad valorem tax liens of the Arkansas Commissioner of State Lands in the amount of \$75,913.45 and the Saline County Arkansas Collector in the amount \$75,118.00, these ad valorem tax liens are superior to the mortgage liens of BO and ACC.

The Debtor also owns furniture, fixtures and equipment (the “FFE”) which is located on the RE. The FFE is subject to the first lien of ACC. ACC has a current appraisal of the FFE opining to a fair market value of \$457,150 in its current use and liquidation value of \$134,497.

The Debtor currently rents its RE and FFE to McElroy Tops and Flooring, LLC (“MTF”) for \$14,000 per month with MTF being responsible for insurance and maintenance on the rented property. The Debtor attributes \$10,000 of the monthly rent to the RE and \$4,000 to the FFE. The Debtor’s Plan calls for the continued rental of the RE and FFE to MTF for six months while the Debtor seeks to sell the RE and FFE. During this period, the Debtor shall pay BO \$10,000 per month and ACC \$4,000 per month and while maintaining and insuring the rented property. The monthly payments to BO and ACC shall be retroactive to January 1, 2017, if not paid prior to confirmation.

The Debtor previously filed a Chapter 11, Case No. 4:13-bk-11353T, in the United States Bankruptcy Court for the Eastern District of Arkansas (the “Prior Case”) on March 6, 2013. A plan of reorganization filed by Summit Bank (the “Summit Plan”) was confirmed on May 9, 2014. The Debtor defaulted in obligations under the Summit Plan. On motion of Bank of the Ozarks, successor through merger with Summit Bank, Case No. 4:13-bk-11353T was dismissed by Order entered September 23, 2016.

On December 27, 2016, the Debtor filed this Chapter 11 case to provide for an orderly liquidation of its assets in an effort to maximize the value of its property.

B. Insiders of the Debtor

Insiders include the Debtor’s members, Scott McElroy, Janice R. McElroy and Robert Glenn McElroy.

Arkansas Granite & More, LLC and McElroy Tops & Floors, LLC are also insiders whose members include one or more members of the Debtor.

The proposed purchase of the Debtor’s FFE is Roger Alexander, uncle of Scott and Robert Glenn McElroy.

C. Management of the Debtor Before and During the Bankruptcy

The Debtor has been managed by Robert and Scott McElroy before this Chapter 11 petition was filed and will continue to be managed by them during the bankruptcy.

D. Projected Recovery of Avoidable Transfers

The Debtor believes that there are no avoidable transfers to be recovered. However, the Debtor recognizes that it has a duty pursuant any claims that it might have under §§ 502, 544, 545, 546, 547, 548 and 549. Where practicable, the Debtor will pursue such claims as are determined to exist.

III. SUMMARY OF THE PLAN OF REORGANIZATION

THE FOLLOWING IS A BRIEF SUMMARY OF THE PLAN OF REORGANIZATION AND SHOULD NOT BE RELIED UPON FOR VOTING PURPOSES. CREDITORS AND OTHER INTERESTED PARTIES ARE URGED TO READ THE PLAN IN FULL. THE PLAN REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT BETWEEN THE DEBTOR AND ITS CREDITORS AND SHOULD BE READ TOGETHER WITH THE DISCLOSURE STATEMENT IN ORDER THAT AN INTELLIGENT AND INFORMED JUDGMENT CONCERNING THE ACCEPTANCE OR REJECTION OF THE PLAN CAN BE MADE. CREDITORS ARE URGED TO CONSULT WITH COUNSEL, OR WITH EACH OTHER, IN ORDER TO FULLY UNDERSTAND THE PLAN. THE PLAN IS COMPLEX IN THAT IT PRESENTS A PROPOSED LEGALLY BINDING AGREEMENT AND AN INTELLIGENT JUDGMENT CONCERNING THE PLAN CANNOT BE MADE WITHOUT FIRST UNDERSTANDING IT. ANY INCONSISTENCY BETWEEN THE FOLLOWING SUMMARY AND THE PLAN SHALL BE RESOLVED IN FAVOR OF THE PROVISIONS OF THE PLAN.

PLAN ARTICLE II **CLASSIFICATION OF CLAIMS AND INTERESTS**

All Claims or interests are placed in a particular Class as set forth below. A Claim or interest is placed in a Class only to the extent that the Claim or interest falls within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or interest falls within the description of such other Class or Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

2.01 Class I (Administrative Claims). Allowed claims pursuant to §507(a) are to be paid in full. These include expenses of administration, allowed claims for professional fees, and trade debt incurred in this Chapter 11. Allowed pre-confirmation administrative claims shall be paid in full on confirmation unless the holders of these claims agree otherwise. Post-confirmation administrative claims shall be paid upon court approval unless the holder agrees otherwise. This class is not impaired.

2.02 Class II (Priority Claims). There are no known priority claims in this case. The Debtor is a tax pass through entity and therefore does not pay federal and state income taxes. The Debtor is current on employment taxes. To the extent that the Debtor owes taxes on real and personal property, those claims are secured by such property and will be treated as secured creditors.

2.03 Class III Bank of the Ozarks. (“BO”). BO holds a claim in the estimated amount of \$1,376,490.22 with daily interest accruals of \$188.56 from January 30, 2017. The BO Claim is secured by a perfected first mortgage lien on debtor’s real property which consists of 2.62 acres, more or less, with improvements consisting of 7,233 square foot detached office and showroom building with warehouse and 10,409 square foot detached manufacturing building with office and warehouse (the “RE”).

BO had the RE appraised in December of 2015. The appraisal estimated the liquidation value of the RE to be \$1,188,000 and the fair market value of the RE to be \$1,828,000. The Debtor agrees with these values.

The Debtor currently rents the RE to McElroy Tops & Floors, LLC, (“MTF”) a related company for \$10,000 per month. MTF is also responsible for maintaining of insurance and providing and maintenance of the land and improvements. The debtor proposes to sell the property at private sale through Lance Pennfield of Pennfield-Moudy Realty of Benton Arkansas, or such other realtor as may be approved by the Court, at the appraised fair market value of \$1,828,000.

Pending sale, the RE shall be leased to MTF on the terms stated above for six months. The Debtor shall be entitled to terminate the RE lease to MTF on 90 day written notice. During the lease period, the Debtor shall pay \$10,000 per month as adequate protection to BO on the first day of each month. The adequate protection payments shall be retroactive to January 1, 2017 if not otherwise paid prior to confirmation. Within 10 days of the effective date of the plan, the Debtor shall deliver to BO a quitclaim deed to the RE. In the Quitclaim Deed (the “Deed”), the debtor shall acknowledge that the deed does not cause a merger of title with the mortgage held by BO; does not extinguish the indebtedness secured by the mortgage and that BO shall be entitled to dispose of the RE in a commercially reasonable matter with the net proceeds of the RE applied toward the secured indebtedness.

The Debtor has filed a motion to sell its FFE to Roger Alexander of Alexander Trucking Co. to purchase the Debtor’s FFE free clear of liens for the sum of \$284,388 (the “Alexander Offer”). The Alexander offer is subject to its being given six months to move the FFE from the RE and bankruptcy court approval. The Debtor anticipates that the FFE will have been sold prior to confirmation of this plan.

If within the earlier of 180 days after entry of a final order approving the sale of Debtor’s FFE to Roger Alexander or 180 days after the effective date, the Debtor has not produced a bona fide offer to purchase the RE upon terms satisfactory to BO, in its discretion, BO shall be entitled to record the Deed.

Should the Debtor fail to make a \$10,000 monthly adequate payment to BO by the fifteenth (15th) day of each month, or default in its obligation to maintain insurance or adequately maintain the improvements, and fail to cure the default within fifteen (15) days of written notice, BO shall be entitled to record the Deed.

Except as modified by this plan, the provisions of BO loan documents remain in full force and effect. This class is impaired.

2.04 Class IV Arkansas Capital Corporation (“ACC”). Class IV consists of ACC. ACC is owed approximately \$980,000 and is secured by and is secured by a second mortgage lien the RE which subject to the prior mortgage lien of BO and a first priority lien on the Debtor’s FFE. The mortgage held by ACC is also subordinate to unpaid ad valorem taxes and assessments.

ACC has obtained an appraisal of the FFE opining to a fair market value of \$457,150 and a liquidation value of \$134,497. The Debtor currently rents its FFE to MTF for \$4,000 per month with MTF being responsible for insurance and maintenance on the on the FFE. The Debtor shall enter into six month lease of the FFE to with MTF on the terms stated above. The \$4,000 per month lease payments shall be retroactive to January 1, 2017 if not paid prior to confirmation.

The Debtor has filed a motion to sell its FFE to Roger Alexander of Alexander Trucking Co. to purchase the Debtor’s FFE free clear of liens for the sum of \$284,388 (the “Alexander Offer”). The Alexander offer is subject to its being given six months to move the FFE from the RE and bankruptcy court approval. The debtor anticipates that the FFE will have been sold prior to confirmation of this plan.

During the six month lease period to MTF, as adequate protection, the Debtor shall pay \$4,000 per month to ACC and keep the FFE insured and maintained. During the 6 month lease period, the Debtor shall attempt to sell the FFE upon terms approved by ACC. If the Debtor and ACC are unable to agree to sale terms, the Debtor may apply for an order of the Court approving the sale. Sale of the FFE shall terminate the Debtor’s adequate protection obligations to ACC with respect to the FFE.

Should the Debtor fail to make the \$4,000 monthly adequate payment to BO by the fifteenth (15th) day of each month, or should MTF default in its obligation to maintain insurance or adequately maintain the FFE improvements, and fail to cure the default within fifteen (15) days of written notice, the Debtor shall surrender possession of the FFE to ACC for disposition in accordance with non- bankruptcy law.

Should a sale of the FFE not close within six (6) months of the effective date, the Debtor shall surrender possession of the FFE to ACC for disposition in accordance with non-bankruptcy law.

Should the Debtor default in its obligations to BO pursuant to this plan with respect to the RE, shall be entitled to exercise the remedies available pursuant to non-bankruptcy law.

Except as modified by this plan, the provisions of ACC’s loan documents remain in full force and effect. Any sale of the furniture, fixtures and equipment the Debtor shall be subject to bankruptcy court approval.

This class is impaired.

2.05 Class V State of Arkansas Commissioner of State Lands (the “Commissioner”). Class V consists of the Commissioner. This claim is in the approximate amount of \$75,913.45 for years 2009 through 2011 secured by a first priority lien on the Debtor’s RE located at 18525

I-30 South, Benton, Arkansas 72015. This creditor will retain its lien and will be paid in full from proceeds of sale of the RE. If this claim has not been satisfied within six months the Effective Date, this creditor may exercise any available bankruptcy or non-bankruptcy remedy. This class is impaired.

2.06 Class VI Saline County Collector (“SCC”). Class VI consists of SCC. SCC is owed approximately \$75,118.30 for years 2013-2016 which is also secured by a lien on Debtor’s real property 18525 I-30 South, Benton, Arkansas 72015 subject only to the prior lien of the State of Arkansas Commissioner of State Lands. This creditor shall retain its lien and shall be paid from any sale of the real property, after payment of the Class V claim of the Commissioner. If this claim has not been satisfied within six months of the Effective Date, this creditor may exercise any available bankruptcy or non-bankruptcy remedy. This class is impaired.

2.07 Class VII (Unsecured Claims). Class VII will consist of all Allowed Unsecured Claims. This class shall also include that the Allowed Claims in this Class will be paid pro-rata to the extent funds are available from the liquidation of the Debtor’s property. To the extent secured creditors are not paid in full, the deficiency shall be a claim in this class. This class is impaired.

2.08 Class VIII (Subordinated Unsecured Claims). Janice R. McElroy, Robert Glenn McElroy and Scott A. McElroy are guarantors of claims of ACC and BO. No payments shall be made to this class unless ACC and BO are paid in full. This class is impaired.

2.09 Class IX (Equity Security Holders). Class IX will consist of the members of the Debtor, namely Janice R. McElroy, Robert Glenn McElroy and Scott A. McElroy. This class shall only be paid from funds available after liquidation of the Debtor’s property and payment in full of all other classes. The membership interest of the Debtor shall be cancelled upon confirmation of this plan. Following confirmation, the members of the Debtor shall remain in possession of property of the estate for the sole purpose of winding up the affairs of the Debtor in accordance with the provisions of this plan. No distribution is anticipated for this class. This class is impaired.

2.10 The United States Trustee. Quarterly fees of the United States Trustee shall be paid by the Debtor and shall be paid in full upon confirmation.

ARTICLE III **MEANS FOR EXECUTING THE PLAN**

3.01. Liquidation. This plan contemplates liquidation of the Debtor’s property in the manner described in this disclosure statement.

IV. FINANCIAL INFORMATION REGARDING DEBTORS AND THE PLAN OF REORGANIZATION.

A. Debtor’s Liquidation Analysis

The Debtor refers you to the attached Amended Official Forms 206 Sum, 206A/B and 206D as its liquidation analysis.

B. Financial Information Regarding Chapter 11 Plan and Its Feasibility

The Plan is a liquidating plan. The Debtor is confident it will be able to make all payments and otherwise discharge its obligations under its proposed Chapter 11 Plan pending liquidation of assets.

No Opinion As To Tax Consequences

While the Debtor projects no tax consequences of its operations, it offers no opinions of tax consequences.

C. Legal and Accounting Fees and Expenses and Other Administrative Expenses

The Debtor's counsel received a \$25,000 pre-petition retainer. Legal expenses and fees will be incurred by the estate during the confirmation process. The Debtor estimates that its unpaid legal fees and expenses over the life of the Plan will consume the retainer paid to its counsel.

The Debtor is of the opinion that there will be no other accumulated administrative expenses other than the legal fees of counsel for the Debtor and expenses and U.S. Trustee's fees as of the Effective Date.

D. Avoidance Actions

As set forth in the Plan, the Debtor intends to investigate and prosecute any and all statutory avoidance actions in the sole discretion of the Debtor. Preliminary investigation indicates that that no such claims exist.

E. Miscellaneous

The Debtor reserves the right to object to claims post confirmation.

V. CONCLUSION.

It is important that you exercise the right to vote for acceptance or rejection of the Plan.

The Debtor considers the proposed Plan to be in the best interest of all creditors and of the bankruptcy estate and, therefore, recommends acceptance of the Plan.

Dated this 13th day of February, 2017.

Solid Rock Holdings, LLC

By: /s/ Scott McElroy
Scott McElroy, Managing Member

Prepared by:

DAVIDSON LAW FIRM
Post Office Box 1300
Little Rock, Arkansas 72203
Phone: 501-374-9977
Facsimile: 501-374-5917
Email: slg@dlf-ar.com
skipd@dlf-ar.com
alisonh@dlf-ar.com

By: /s/ Stephen L. Gershner
Stephen L. Gershner 78059
Charles Darwin "Skip" Davidson 73026

Fill in this information to identify the case:

Debtor name Solid Rock Holdings, LLC

United States Bankruptcy Court for the: EASTERN DISTRICT OF ARKANSAS

Case number (if known) 4:16-bk-16828

Check if this is an amended filing

**Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals**

12/15

Part 1: Summary of Assets

1. **Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$ <u>1,828,000.00</u>
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$ <u>284,388.00</u>
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$ <u>2,112,388.00</u>

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$ <u>2,498,521.45</u>
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i>	\$ <u>0.00</u>
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i>	+\$ <u>0.00</u>
4. Total liabilities Lines 2 + 3a + 3b	\$ <u>2,498,521.45</u>

Fill in this information to identify the case:

Debtor name Solid Rock Holdings, LLC

United States Bankruptcy Court for the: EASTERN DISTRICT OF ARKANSAS

Case number (if known) 4:16-bk-16828

Check if this is an amended filing

Official Form 206A/B

Schedule A/B: Assets - Real and Personal Property

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Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- No. Go to Part 2.
- Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- No. Go to Part 3.
- Yes Fill in the information below.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- No. Go to Part 4.
- Yes Fill in the information below.

11. Accounts receivable

11b. Over 90 days old:	<u>2,040,000.00</u>	-	<u>2,040,000.00</u> =...	<u>\$0.00</u>
	face amount		doubtful or uncollectible accounts	

12. Total of Part 3.

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

<u>\$0.00</u>

Part 4: Investments

13. Does the debtor own any investments?

- No. Go to Part 5.
- Yes Fill in the information below.

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

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- No. Go to Part 6.
- Yes Fill in the information below.

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- No. Go to Part 7.
- Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- No. Go to Part 8.
- Yes Fill in the information below.

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- No. Go to Part 9.
- Yes Fill in the information below.

General description	Net book value of debtor's interest	Valuation method used for current value	Current value of debtor's interest
Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	(Where available)		
47. Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles			
48. Watercraft, trailers, motors, and related accessories <i>Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels</i>			
49. Aircraft and accessories			
50. Other machinery, fixtures, and equipment (excluding farm machinery and equipment)			
Furniture, fixtures and equipment	\$0.00		\$284,388.00

51. **Total of Part 8.**

Add lines 47 through 50. Copy the total to line 87.

\$284,388.00

52. **Is a depreciation schedule available for any of the property listed in Part 8?**

- No
- Yes

53. **Has any of the property listed in Part 8 been appraised by a professional within the last year?**

- No
- Yes

Part 9: Real property

54. Does the debtor own or lease any real property?

- No. Go to Part 10.
- Yes Fill in the information below.

55. **Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest**

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Description and location of property	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.				
55.1. Office Building with Warehouse located at 18525 I-30 South, Benton, AR 72015	Fee simple	\$1,828,000.00	2015 Appraisal	\$1,828,000.00

56. **Total of Part 9.** **\$1,828,000.00**
Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

57. **Is a depreciation schedule available for any of the property listed in Part 9?**
 No
 Yes

58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**
 No
 Yes

Part 10: Intangibles and intellectual property

59. **Does the debtor have any interests in intangibles or intellectual property?**

- No. Go to Part 11.
- Yes Fill in the information below.

Part 11: All other assets

70. **Does the debtor own any other assets that have not yet been reported on this form?**

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- No. Go to Part 12.
- Yes Fill in the information below.

Debtor **Solid Rock Holdings, LLC**
Name

Case number (if known) **4:16-bk-16828**

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	<u>\$0.00</u>	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	<u>\$0.00</u>	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	<u>\$0.00</u>	
83. Investments. <i>Copy line 17, Part 4.</i>	<u>\$0.00</u>	
84. Inventory. <i>Copy line 23, Part 5.</i>	<u>\$0.00</u>	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	<u>\$0.00</u>	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	<u>\$284,388.00</u>	
88. Real property. <i>Copy line 56, Part 9.....></i>		<u>\$1,828,000.00</u>
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ <u>\$0.00</u>	
91. Total. Add lines 80 through 90 for each column	<u>\$284,388.00</u>	+ 91b. <u>\$1,828,000.00</u>
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		<u>\$2,112,388.00</u>

Fill in this information to identify the case:

Debtor name Solid Rock Holdings, LLC

United States Bankruptcy Court for the: EASTERN DISTRICT OF ARKANSAS

Case number (if known) 4:16-bk-16828

Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

		Column A Amount of claim <small>Do not deduct the value of collateral.</small>	Column B Value of collateral that supports this claim
<p>2.1</p> <p>AR Commissioner of State Lands</p> <p><small>Creditor's Name</small> John Thurston State Capitol Building 500 Woodlane St., Ste. 109 Little Rock, AR 72201</p> <p><small>Creditor's mailing address</small></p> <p><small>Creditor's email address, if known</small></p> <p>Date debt was incurred</p> <p>Last 4 digits of account number</p> <p>Do multiple creditors have an interest in the same property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.</p>	<p><small>Describe debtor's property that is subject to a lien</small> Delinquent Real Property Taxes 2009-2011</p> <p><small>Describe the lien</small></p> <p><small>Is the creditor an insider or related party?</small> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p><small>Is anyone else liable on this claim?</small> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)</p> <p><small>As of the petition filing date, the claim is:</small> Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p>	<p>\$75,913.45</p>	<p>\$0.00</p>

<p>2.2</p> <p>Arkansas Capital Corporation</p> <p><small>Creditor's Name</small> 200 S. Commerce St. Ste. 400 Little Rock, AR 72201</p> <p><small>Creditor's mailing address</small></p> <p><small>Creditor's email address, if known</small></p> <p>Date debt was incurred 09/21/2009</p> <p>Last 4 digits of account number</p>	<p><small>Describe debtor's property that is subject to a lien</small> 18525 I-30 South, Benton, AR 72015; equipment, machinery, vehicles, furniture & fixtures</p> <p><small>Describe the lien</small> Mortgage & UCC Financing Statement</p> <p><small>Is the creditor an insider or related party?</small> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p><small>Is anyone else liable on this claim?</small> <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)</p>	<p>\$980,000.00</p>	<p>\$1,828,000.00</p>
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Debtor **Solid Rock Holdings, LLC**
Name

Case number (if know) **4:16-bk-16828**

Do multiple creditors have an interest in the same property?

- No
 Yes. Specify each creditor, including this creditor and its relative priority.

1. Bank of the Ozarks
2. Arkansas Capital Corporation

As of the petition filing date, the claim is:

- Check all that apply
 Contingent
 Unliquidated
 Disputed

2.3 **Bank of the Ozarks**
Creditor's Name

**17901 Chenal Parkway
Little Rock, AR 72211**

Creditor's mailing address

Creditor's email address, if known

**Date debt was incurred
11/16/2007**

**Last 4 digits of account number
9596**

Do multiple creditors have an interest in the same property?

- No
 Yes. Specify each creditor, including this creditor and its relative priority.

Specified on line 2.2

Describe debtor's property that is subject to a lien

**Office Building with Warehouse located at
18525 I-30 South, Benton, AR 72015**

\$1,367,490.00

\$1,828,000.00

Describe the lien

First Mortgage

Is the creditor an insider or related party?

- No
 Yes

Is anyone else liable on this claim?

- No
 Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:

- Check all that apply
 Contingent
 Unliquidated
 Disputed

2.4 **Saline County Tax Collector**
Creditor's Name

**Joy Ballard
215 N. Main St.
Ste. 3
Benton, AR 72015**

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

Last 4 digits of account number

Do multiple creditors have an interest in the same property?

- No
 Yes. Specify each creditor, including this creditor and its relative priority.

Describe debtor's property that is subject to a lien

**Delinquent Real Property Taxes
2013-2015**

\$75,118.00

\$0.00

Describe the lien

Is the creditor an insider or related party?

- No
 Yes

Is anyone else liable on this claim?

- No
 Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:

- Check all that apply
 Contingent
 Unliquidated
 Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.

\$2,498,521.45

Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

Debtor **Solid Rock Holdings, LLC** Case number (if know) **4:16-bk-16828**
Name

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address

On which line in Part 1 did you enter the related creditor?

Last 4 digits of account number for this entity

Michael J. Ptak
17901 Chenal Pkwy
PO Box 8811
Little Rock, AR 72231-8811

Line 2.3

Randal B. Frazier
Kutak Rock LLP
124 W. Capitol Ave., Ste. 2000
Little Rock, AR 72201

Line 2.2