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CYCLE SHACK, INC.

**United States Bankruptcy Court
Northern District of California**

In re:

Case No. 15-30466-HLB-11

CYCLE SHACK, INC.
_____ /

Chapter 11

**COMBINED PLAN OF REORGANIZATION
AND TENTATIVELY APPROVED DISCLOSURE STATEMENT
(Dated October 4, 2016)**

INTRODUCTION

This is Debtor's Combined Chapter 11 Plan of Reorganization and Disclosure Statement (the Plan). The Plan identifies each known creditor by name and describes how each claim will be treated if the Plan is confirmed.

Part 1 contains the treatment of creditors with secured claims; Part 2 contains the treatment of general unsecured creditors: 10% of their allowed claim one (1) year from Effective Date. Taxes and other priority claims would be paid in full, as shown in Part 3.

Most creditors (those in impaired classes) are entitled to vote on confirmation of the Plan. Completed ballots must be received by Debtor's counsel, and objections to confirmation must be filed and served, no later than [date]. The court will hold a hearing on confirmation of the Plan on [date] at [time].

Attached to the Plan are exhibits containing financial information that may help you decide how to vote and whether to

Chapter 11
Combined Plan & Disclosure Statement
Dated October 4, 2016)

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(Version: 7/30/12)

object to confirmation. Exhibit 1 includes background information regarding Debtor and the events that led to the filing of the bankruptcy petition and describes significant events that have occurred during this Chapter 11 case. Exhibit 2 contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation. Exhibit 3 shows Debtor's monthly income and expenses. Exhibit 4 describes how much Debtor is required to pay on the effective date of the plan. Exhibit 5 shows Debtor's monthly income and expenses related to each investment property.

Whether the Plan is confirmed is subject to complex legal rules that cannot be fully described here. You are strongly encouraged to read the Plan carefully and to consult an attorney to help you determine how to vote and whether to object to confirmation of the Plan.

If the Plan is confirmed, the payments promised in the Plan constitute new contractual obligations that replace the Debtor's pre-confirmation debts. Creditors may not seize their collateral or enforce their pre-confirmation debts so long as Debtor performs all obligations under the Plan. If Debtor defaults in performing Plan obligations, any creditor can file a motion to have the case dismissed or converted to a Chapter 7 liquidation, or enforce their non-bankruptcy rights. Debtor will be discharged from all pre-confirmation debts (with certain exceptions) if Debtor makes all Plan payments. Enforcement of the Plan, discharge of the Debtor, and creditors' remedies if Debtor defaults are described in detail in Parts 5 and 6 of the Plan.

PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS

Class 2(a). Small Claims.

Name of Creditor	Amount of Claim	Amount to be Paid
Ameripride Services, Inc.	\$122.75	\$122.75
AT&T U-Verse	\$60.00	\$60.00
California Water Service	\$284.58	\$250.00
Chadpak Co., Inc.	\$170.00	\$170.00
Johnson Industrial Supply Co.	\$72.56	\$72.56
KBC Tools & Machinery	\$43.27	\$43.27
Maverick Abrasives	\$87.86	\$87.86
Neofunds by Neopost	\$125.35	\$125.35

Norton Industries	\$405.01	\$250.00
Pipelyne	\$466.20	\$250.00
Praxair Distribution	\$48.29	\$48.29
RS Performance Coatings	\$310.00	\$250.00
San Mateo County Environmental Services Division	\$0.00	\$0.00
Solistics	\$132.04	\$132.04
So. San Francisco Scavengers	\$395.64	\$250.00
Staples Credit Plan	\$117.44	\$117.44
United Parcel Service	\$318.99	250.00
WF Business Payment Processing (6506)	\$30.44	\$30.44

This class includes any creditor whose allowed claim is \$250.00 or less, and any creditor in Class 2(b) whose allowed claim is larger than \$250 but agrees to reduce its claim to \$500.00. Each creditor will receive on the Effective Date of the Plan a single payment equal to the full amount of its allowed claim.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Claimants in this class are impaired and are entitled to vote on confirmation of the Plan, unless their claims are paid in full on the Effective Date of the Plan.**

Class 2(b). [Other] General Unsecured Claims.

Name of Creditor	Amount of Claim	Disputed Y/N	Amount to be Paid	[Monthly] [Quarterly] Payment
Air Liquide America Specialty Cases, LLC	\$561.67	N	10%	
Alan Baker Company	\$344.44	N	10%	
American Packaging	\$2,049.62	N	10%	
Applied Industrial TEC	\$506.73	N	10%	
AT&T	\$963.79	N	10%	
BHJ Bay City Screw and Bolt	\$582.54	N	10%	
C & S Properties	\$352,000.00	N	10%	

Coop Engineering	\$4,089.62	N	10%	
Earle M. Jorgenson Company	Unknown	Y	10%	
Environmental Recovery Services	\$3,261.04	N	10%	
Evoqua Water Technologies LLC	\$522.00	N	10%	
Grove W. Hoover	\$254,333.33	N	10%	
Grove W. Hoover	\$77,886.80	N	10%	
Harley-Davidson Motor Company, Inc.	\$128,669.21	N	10%	
Homer H. Dyer	\$38,943.40	N	10%	
Homer H. Dyer	\$254,492.23	N	10%	
Landsberg Orora	\$2,118.65	N	10%	
Marfred Industries a Division of Landsberg	\$876.81	N	10%	
Pacific Gas & Electric	\$5,010.68	N	10%	
Rago & Son Inc.	\$1,500.00	N	10%	
Republic Indemnity Company of America	\$6,521.00	N	10%	
State of California Dept. of Justice / Department of Toxic Waste and Substance Control	\$167,146.00	Y	10%	
Steven A. Reedy	\$253,600.00	N	10%	
Steven A. Reedy	\$77,886.80	N	10%	
T&M Products Inc. dba CDMS Chemical Data Mgmt	\$716.00	N	10%	
The Arnold Law Practice	\$5,147.01	y	Unknown	
Western Tube & Conduit	\$7,616.91	N	10%	
WF Business Payment Processing (9069)	\$1,018.68	N	10%	

Allowed claims of general unsecured creditors [not treated as small claims] (including allowed claims of creditors whose executory contracts or unexpired leases are being rejected under this Plan) shall be paid as follows:

Percent Plan. Creditors will receive 10% of their allowed claims Ninety (90) days from Effective Date.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **This class is impaired and is entitled to vote on confirmation of the Plan.** Debtor has indicated above whether a particular claim is disputed.

PART 3: TREATMENT OF PRIORITY AND ADMINISTRATIVE CLAIMS

(a) Professional Fees.

Debtor will pay the following professional fees in full on the Effective Date, or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount
Macdonald Fernandez LLP	\$75,000.00

Professionals may not take collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Estate professionals are not entitled to vote on confirmation of the Plan.**

(b) Other Administrative Claims. Debtor will pay other allowed claims entitled to priority under section 503(b) in full on the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which shall be paid when normally due and payable (these creditors are not listed below). All fees payable to the United States Trustee as of confirmation will be paid on the Effective Date; post-confirmation fees to the United States Trustee will be paid when due.

Administrative Creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Administrative claimants are not entitled to vote on confirmation of the Plan.**

Name of Administrative Creditor	Estimated Amount of Claim
None	

(c) Tax Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(8) in full within one year of Effective Date with interest.

Priority tax creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Priority tax claimants are not entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim	Statutory Interest Rate	Payment Amount	Number of Payments
Internal Revenue Service	\$5,901.81			

PART 4: EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(a) Executory Contracts/Unexpired Leases Assumed. Debtor assumes the following executory contracts and/or unexpired leases upon confirmation of this Plan and will perform all pre-confirmation and post-confirmation obligations thereunder. Post-confirmation obligations will be paid as they come due. Pre-confirmation arrears will be paid [select one] [in full on the Effective Date] in [number] equal [monthly/quarterly] installments beginning on the first day of [month & year].

Name of Counter-Party	Description of Contract/Lease	Estimated Total Cure Amount	Installment Amount	Number of Installments
None				

(b) Executory Contracts/Unexpired Leases Rejected. Debtor rejects the following executory contracts and/or unexpired leases and surrenders any interest in the affected property, and allows the affected creditor to obtain possession and dispose of its property, without further order of the court. Claims arising from rejection of executory contracts have been included in Class 2 (general unsecured claims).

Name of Counter-Party	Description of Contract/Lease
C&S Properties	Premises Lease

(c) Executory contracts and unexpired leases not specifically assumed or rejected above will be deemed [select one] [assumed/rejected].

PART 5: EFFECTS OF CONFIRMATION

(a) Discharge. Debtor shall not continue business operations and shall not be required to do so to comply with Department of Toxic Substance Control Judgment.

(b) Vesting of Property. On the Effective Date, all property of the estate and interests of the Debtor will vest in the reorganized Debtor pursuant to § 1141(b) of the Bankruptcy Code free and clear of all claims and interests except as provided in this Plan, subject to revesting upon conversion to Chapter 7 as provided in Part 6(f) below.

(c) Plan Creates New Obligations. Except as provided in Part 6(d) and (e), the obligations to creditors that Debtor undertakes in the confirmed Plan replace those obligations to creditors that existed prior to the Effective Date of the Plan. Debtor's obligations under the confirmed Plan constitute binding contractual promises that, if not satisfied through performance of the Plan, create a basis for an action for breach of contract under California law. To the extent a creditor retains a lien under the Plan, that creditor retains all rights provided by such lien under applicable non-Bankruptcy law.

PART 6: REMEDIES IF DEBTOR DEFAULTS IN PERFORMING THE PLAN

(a) Creditor Action Restrained. The confirmed Plan is binding on every creditor whose claims are provided for in the Plan. Therefore, even though the automatic stay terminates on the Effective Date with respect to secured claims, no creditor may take any action to enforce either the pre-confirmation obligation or the obligation due under the Plan, so long as Debtor is not in material default under the Plan, except as provided in Part 6(e) below.

(b) Obligations to Each Class Separate. Debtor's obligations under the Plan are separate with respect to each class of creditors. Default in performance of an obligation due to members of one class shall not by itself constitute a default with respect to members of other classes. For purposes of this Part 6, the holders of all administrative claims shall be considered to be a single class, the holders of all priority claims shall be considered to be a single class, and each non-

debtor party to an assumed executory contract or lease shall be considered to be a separate class.

(c) Material Default Defined. If Debtor fails to make any payment, or to perform any other obligation required under the Plan, for more than 10 days after the time specified in the Plan for such payment or other performance, any member of a class affected by the default may serve upon Debtor and Debtor's attorney (if any) a written notice of Debtor's default. If Debtor fails within 30 days after the date of service of the notice of default either: (i) to cure the default; (ii) to obtain from the court an extension of time to cure the default; or (iii) to obtain from the court a determination that no default occurred, then Debtor is in Material Default under the Plan to all the members of the affected class.

(d) Remedies Upon Material Default. Upon Material Default, any member of a class affected by the default: (i) may file and serve a motion to dismiss the case or to convert the case to Chapter 7; or (ii) without further order of the court has relief from stay to the extent necessary, and may pursue its lawful remedies to enforce and collect Debtor's pre-confirmation obligations.

(e) Claims not Affected by Plan. Upon confirmation of the Plan, and subject to Part 5(c), any creditor whose claims are left unimpaired under the Plan may, notwithstanding paragraphs (a), (b), (c), and (d) above, immediately exercise all of its contractual, legal, and equitable rights, except rights based on default of the type that need not be cured under section 1124(2)(A) and (D).

(f) Effect of Conversion to Chapter 7. If the case is at any time converted to one under Chapter 7, property of the Debtor shall vest in the Chapter 7 bankruptcy estate to the same extent provided for in section 348(f) of the Bankruptcy Code upon the conversion of a case from Chapter 13 to Chapter 7.

(g) Retention of Jurisdiction. The bankruptcy court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in Material Default of any Plan obligation; (ii) whether the time for performing any Plan obligation should be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date or specifically contemplated in this Plan to be filed in this court (see Part 7(f)); (iv) whether the case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises of controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of

professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

PART 7: GENERAL PROVISIONS

(a) Effective Date of Plan. The Effective Date of the Plan is the fifteenth day following the date of the entry of the order of confirmation, if no notice of appeal from that order has been filed. If a notice of appeal has been filed, Debtor may waive the finality requirement and put the Plan into effect, unless the order confirming the Plan has been stayed. If a stay of the confirmation order has been issued, the Effective Date will be the first day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

(b) Disputed Claim Reserve. Debtor will create a reserve for disputed claims. Each time Debtor makes a distribution to the holders of allowed claims, Debtor will place into a reserve the amount that would have been distributed to the holders of disputed claims if such claims had been allowed in the full amount claimed. If a disputed claim becomes an allowed claim, Debtor shall immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the plan calculated using the amount of the allowed claim. Any funds no longer needed in reserve shall be [select one] [returned to Debtor] [distributed pro-rata among allowed claims in this class].

(c) Cramdown. Pursuant to section 1129(b) of the Bankruptcy Code, Debtor reserves the right to seek confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors.

(d) Severability. If any provision in the 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 the Plan.

(e) Governing Law. Except to the extent a federal rule of decision or procedure applies, the laws of the State of California govern the Plan.

(f) Lawsuits.

Debtor believes that causes of action for fraudulent transfers, voidable preferences, or other claims for relief exist

against the following parties:

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
None				

(g) Notices. Any notice to the Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

(h) Post-Confirmation United States Trustee Fees. Following confirmation, Debtor shall continue to pay quarterly fees to the United States Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor is required to make these payments, Debtor shall file with the court quarterly reports in the form specified by the United States Trustee for that purpose.

(i) Deadline for § 1111(b) Election. Creditors with an allowed secured claim can make a timely election under section 1111(b) no later than 14 days before the first date set for the hearing on confirmation of the Plan.

Dated: October 4, 2016

MACDONALD | FERNANDEZ LLP

By: /s/ Iain A. Macdonald
Iain A. Macdonald, Attorney
For Debtor-in-Possession,
Cycle Shack, Inc.

Attorney Certification

I, Iain A. Macdonald, am legal counsel for the Debtor(s) in the above-captioned case and hereby certify the following: (i) the foregoing plan is a true and correct copy of the Individual Chapter 11 Combined Plan and Disclosure Statement promulgated by the Northern District of California, San Francisco Division, on July 30, 2012 (the "Standard-Form Plan"); and (ii) except as specified below, there have been no alterations or modifications to any provision of the Standard-Form Plan.

The following provisions of the Standard-Form Plan have been altered or otherwise modified.

Page 2 §1 "Part 1: Treatment of Secured Creditors" has been deleted as there are no secured creditors.

Page 3 §2(a) "with interest" has been stricken.

Page 4 §2(b) "[All known non-priority unsecured creditors, including deficiency claims, and rejection claims, whether scheduled or based on proofs of claim on file excluding those listed in Class 2(a), must be listed in the above table.]" has been deleted.

Page 4 §2(b) "Pot Plan. Creditors will receive a pro-rata share of a fund totaling \$_____, created by Debtor's payment of [\$____ per month/quarter for a period of ____ months/quarters, starting [month & year]. Pro-rata means the entire amount of the fund divided by the entire amount owed to creditors with allowed claims in this class." has been deleted.

Page 5 §3(a) "The following professionals have agreed to accept payment over time as follows. Payments will be made [monthly/ quarterly], due on the [number] day of the [month/quarter], starting [month & year] or upon approval by the court, whichever is later." has been deleted.

Page 5 §3(c) "Tax Claims" has been revised to state that Debtor will pay allowed claims entitled to priority under

section 507(a)(8) in full within one year of Effective Date with interest.

Page 15 Ex 3 Following Note was added: "NOT APPLICABLE - PAYMENTS WILL BE FUNDED BY PRINCIPALS"

Page 16 "Exhibit 5 - Investment Property" has been deleted.

Page 17 Major Events During the Chapter 11 Case has been added.

Page 18 Means for Execution of Plan has been added.

I declare that the foregoing is true and correct. Executed this 4th day of October, 2016.

/s/ Iain A. Macdonald
Attorney for Debtor(s)

Exhibit 1 - Events That Led To Bankruptcy

The within case was commenced by filing a voluntary chapter 11 petition on April 14, 2015. Prior to the bankruptcy there were two significant lawsuits:

1. The Debtor was engaged in the business of manufacturing custom parts for Harley-Davidson Motorcycles and exclusive license for "Screaming Eagle" accessories. The relationship was terminated and litigation ensued, which the Debtor lost and suffered a judgment for attorneys' fees in the approximate amount of \$100,000.00. Harley-Davidson levied on the Debtor's bank account, obtaining the sum of \$27,917.08.
2. The Debtor litigated with the California Department of Toxic Substance Control ("DTSC") and stipulated to a judgment that imposed a fine of approximately \$499,000.00, to be waived should the Debtor operate for five years without further violation.

Exhibit 2 - What Creditors Would Receive if the Case Were Converted to a Chapter 7

Real Property #1: [Insert Address]

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$0.00	1 st				
	2 nd				
	3 rd				

[Add additional tables for additional real property]

Personal Property:

Description	Liquidation Value	Secured Claim	Amt of Exemption	Net Proceeds
Cash	\$5,000.00			\$5,000.00
Automobile #1				
Automobile #2				
Household Furnishings				
Jewelry				
Equipment	\$50,000.00			\$50,000.00
Stocks / Investments				
Other Personal Property				
TOTAL				

Net Proceeds of Real Property and Personal Property	\$0.00
Recovery from Preferences / Fraudulent Conveyances	\$0.00
Chapter 7 Administrative Claims	\$25,000
Chapter 11 Administrative Claims	\$50,000
Priority Claims	\$5,901
Chapter 7 Trustee Fees	\$10,000
Chapter 7 Trustee's Professionals	\$5,000
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS	\$0.00

Estimated Amount of Unsecured Claims	Unknown
Percent Distribution to Unsecured Creditors Under Proposed Plan	10%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	0%

Exhibit 3 - Monthly Income and Expenses

NOT APPLICABLE - PAYMENTS WILL BE FUNDED BY PRINCIPALS

The principals of the Debtor will file financial statements under seal as to preserve their privacy and request the court to review the financial statements to determine the feasibility of the obligations under this Plan.

Income	Amount
Gross Employment Income	
Gross Business Income	
[OTHER INCOME - DESCRIBE]	
Positive Cash Flow on Investment Property (Exhibit 5, Line A)	
A. Total Monthly Income	
Expenses	Amount
Includes Plan Payments on Secured Claims for Residence and Car	
Payroll Taxes and Related Withholdings	
Retirement Contributions (401k, IRA, PSP)	
Shelter Expenses (rent/mortgage, insurance, taxes, utilities) (Total Arrearages on Principal Residence are \$_____)	
Household Expenses (food)	
Transportation Expenses (car payments, insurance, fuel)	
Personal Expenses (e.g. recreation, clothing, laundry, medical)	
Alimony / Child Support	
Other Expenses	
Negative Cash Flow on Investment Property (Exhibit 5, Line B)	
B. Total Monthly Expenses	
C. Disposable Income (Line A - Line B)	
Plan Payments	Amount
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	
Priority Claims	
General Unsecured Creditors	
[OTHER PLAN PAYMENTS - DESCRIBE]	
D. Total Plan Payments	
E. Plan Feasibility (Line C - Line D) (Not feasible if less than zero)	

Exhibit 4 - Effective Date Feasibility

Can the Debtor Make the Effective Day Payments?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date		\$65,591.42
Payments on Effective Date		
Unclassified Claims	\$50,000	
Administrative Expense Claims		
Priority Claims	\$5,901	
Small Claims (Class 2(a))	\$2,510.00	
U.S. Trustee Fees	\$6,500	
B. Total Payments on Effective Date		\$65,591.42
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)		\$0.00

The principals of the Debtor will file financial statements under seal a0 as to preserve their privacy and request the court to review the financial statements to determine the feasibility of the obligations under this Plan.

Exhibit 5 - Major Events During the Chapter 11 Case

The Chapter 11 case was commenced on April 14, 2016 as indicated in Exhibit 1 above.

The Debtor operated in a wind-down mode, reducing operations to all but certain machine tool orders, which it intends to continue.

Major items of equipment were sold at auction conducted by American Auctioneers Group, Inc., auctioneer, on January 14, 2016. Following hearings in the Bankruptcy Court, which involved the active participation of the State of California Department of Toxic Substance Control ("DTSC") through its counsel, Laura Zuckerman of the State of California Department of Justice, and County of San Mateo, through its counsel, Monali S. Sheth, orders were fashioned that ensured that the equipment was properly decontaminated and certified for sale.

U.S.A. Waste of California, Inc. dba Enviroserv was retained as an environmental consultant to perform these services. Court orders dated November 10, 2015 [Dkt. No. 77] and August 11, 2015 [Dkt. No. 49] were made confirming the employment of the auctioneer and the environment consultants. The Debtor received net proceeds in the sum of \$167,146.00 ("net" of costs of preparing the equipment for sale and the auctioneer fees).

The removal of the equipment and machinery from the premises allowed access to the concrete slab and the sub-terrane. The Debtor has complied with the requirements of County of San Mateo Environmental Services Division and was determined to be in compliance. Accordingly, the Debtor obtained a stipulation from the County of San Mateo, approved by court order on July 28, 2016, whereby County of San Mateo confirmed that the Debtor had complied with clean-up requirements and the County of San Mateo withdrew its claim for further clean-up costs in full. No obligation remains to the County of San Mateo under this Plan.

In addition, the Debtor received a claim from DTSC in the amount of the aforesaid Stipulated Judgment, \$499,000, and an unknown amount for costs of remediating not only the currently occupied property but a property occupied by the Debtor in the 1980s. The claim has been settled and a companion motion for order approving compromise of controversy with California Department of Toxic Substance Control has been filed whereby DTSC has agreed to reduce its claim to the total amount of \$167,146.00, being the amount of the sale proceeds which the stipulation provided that it would receive, and reducing its claim to zero for any future remediating costs.

In addition to the foregoing, there was a preference action commenced against Harley-Davidson Motor Company to recover the funds levied upon them as described in that certain adversary proceeding styled *Cycle Shack, Inc. v. Harley-Davidson Motor Company, Inc., and Markland Industries, Inc.* (AP No. 15-03032) commenced and filed in this court. Harley-Davidson had levied on the sum of \$27,917.08, as indicated in Exhibit 1 above. The lawsuit was settled whereby Harley-Davidson returned the sum of \$27,917.08 and the adversary proceeding was dismissed.

Interim compensation was allowed and paid to Debtor's counsel, Macdonald Fernandez LLP in the amount of \$72,634.50 for fees and \$949.39 for costs.

Exhibit 6 - Means for Execution of the Plan.

The Debtor has concluded the toxic clean-up and any work necessary with respect to remediation of the property and has discontinued business operations. The Debtor notes that the Stipulated Judgment held by DTSC provides that the penalty imposed by the Judgment, \$499,000.00, will be waived if the Debtor operates without violation for a five-year period from the date of the Stipulation, October 19, 2012. However, pursuant to the Stipulation reached between the Debtor and DTSC, the Debtor is relieved of any and all obligations with respect to continuing business operations without violation in consideration of allowance of the claim in the amount of \$167,146.00.

Funding of the Plan will be made by the Debtor's principals, primarily Homer Dyer, and Grove Hoover. Their personal financial statements, evidencing ability to fund the payments will be filed with the court under seal and the court will be requested to review them in connection with the approval of this Disclosure Statement.