

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:

BOWHUNT AMERICA, LLC

EIN: 80-0872202

Debtor.

Case No. 16-10549 TBM

Chapter 11

**DISCLOSURE STATEMENT FOR
PLAN OF REORGANIZATION DATED NOVEMBER 21, 2016**

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I. INTRODUCTION

This Disclosure Statement for Plan of Reorganization Dated November 21, 2016 (the “Disclosure Statement”), is submitted by Bowhunt America, LLC (“Debtor”), as the proponent of the Plan of Reorganization Dated November 21, 2016 (the “Plan”).

The Plan and Disclosure Statement contain many defined terms, identified by the use of capitalization. Unless otherwise expressly defined herein, capitalized terms used herein and in the Plan shall have the meaning ascribed to them in the Plan. In the case of any perceived or actual conflict between defined terms in this Disclosure Statement and the Plan, the Plan shall control. The defined terms are contained primarily in Article 1 of the Plan.

A. Purpose of this Disclosure Statement

The purpose of this Disclosure Statement is to enable creditors to make an informed decision in exercising their right to vote to approve the Plan. However, only the Holders of Allowed Claims for a Class that is Impaired under the Plan are entitled to vote on the Plan. Voting rights of individual Classes are outlined more fully below.

This Disclosure Statement is intended to provide such information as may be material, important and necessary for a reasonable investor typical of the Holders of Impaired Claims to make an informed decision whether to vote in favor of or against the Plan. This Disclosure Statement, therefore, describes the business background and operating history of Debtor, explains certain significant events that preceded and occurred during the Chapter 11 case, describes the Estate Assets, summarizes the terms of the Plan, and provides relevant financial information. **HOWEVER, THE DISCLOSURE STATEMENT IS NOT THE PLAN. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE DISCLOSURE STATEMENT AND THE PLAN, THE PLAN WILL CONTROL. YOU ARE URGED TO REVIEW THE PLAN CAREFULLY BEFORE VOTING.**

By Order dated _____, 20____ (Dkt. No. ____), the Bankruptcy Court approved this Disclosure Statement, finding that it contained adequate information as required by § 1125 of the Bankruptcy Code. The Bankruptcy Court has not approved the merits of the Plan and has not conducted a detailed investigation into the contents of this Disclosure Statement.

THE BANKRUPTCY COURT’S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. WHILE IT IS BELIEVED THAT THE SUMMARIES ARE FAIR AND ACCURATE AND PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS, WHICH ARE CONTROLLING IN THE EVENT OF ANY INCONSISTENCY. WHILE REASONABLE EFFORTS HAVE BEEN MADE TO

BE ACCURATE, THERE CAN BE NO REPRESENTATION OR ASSURANCE THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE AND WITHOUT ERROR. EACH HOLDER OF A CLAIM IS URGED TO REVIEW THE PLAN AND THE EXHIBITS TO THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH § 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NON-BANKRUPTCY LAWS. PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

NO REPRESENTATIONS CONCERNING DEBTOR, ITS BUSINESS OPERATIONS, THE VALUE OF ITS PROPERTY, OR THE VALUE OF BENEFITS OFFERED TO CREDITORS OR OTHER PARTIES IN INTEREST IN CONNECTION WITH THE PLAN ARE AUTHORIZED BY DEBTOR, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. YOU SHOULD NOT RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH ARE CONTRARY TO THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT.

NEITHER THE PLAN NOR THE DISCLOSURE STATEMENT HAS BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

YOU ARE NOT TO CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS LEGAL, TAX OR ACCOUNTING ADVICE BUT SHOULD CONSULT YOUR COUNSEL, ACCOUNTANT AND BUSINESS ADVISORS AS TO LEGAL, TAX AND ACCOUNTING MATTERS CONCERNING THE PLAN.

B. Recommendation of Debtor

Debtor recommends that creditors vote to accept the Plan. Debtor believes that the Plan is the best means to maximize the value of Debtor's assets and the return to creditors on their Claims. Debtor believes that the Plan, as opposed to dismissal of the case or conversion to Chapter 7 liquidation, will permit the greatest distribution of proceeds to unsecured creditors. The treatment of creditors under the Plan contemplates a greater recovery than that which is likely to be achieved under other alternatives for the reorganization or liquidation of Debtor.

C. Voting Requirements

As provided in Bankruptcy Code § 1126, only Classes of Allowed Claims that are Impaired under the Plan are entitled to vote to accept or reject the Plan. Classes of Claims that

are not Impaired are not entitled to vote and are deemed to have accepted the Plan. Similarly, Classes of Claims that are not Allowed are not entitled to vote to accept or reject the Plan. Voting on the Plan shall be pursuant to the provisions of the Bankruptcy Code and the Bankruptcy Rules, and a Class shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class actually voting.

Only Holders of Allowed Claims shall be entitled to vote on the Plan. A Claim to which an objection has been filed is a Disputed Claim, not an Allowed Claim, unless and until the Bankruptcy Court rules on the objection and has allowed the Claim. Therefore, although Holders of Claims subject to a pending objection will receive Ballots, their votes will not be counted unless the Bankruptcy Court, prior to the Confirmation Hearing, rules on the objection and allows the Claim or, on proper request under Bankruptcy Rule 3018(a), temporarily allows the Claim in an amount which the Court deems proper for the purpose of voting on the Plan prior to the time for Ballots to be returned. A creditor's vote may be disregarded if the Bankruptcy Court determines that the creditor's acceptance or rejection was not solicited or procured in good faith and in accordance with the provisions of the Bankruptcy Code and Bankruptcy Rules.

1. Voting Classes.

Debtor believes that each Holder of an Allowed Claim in Classes 1 and 2 of the Plan are impaired and, therefore, entitled to vote to accept or reject the Plan.

2. Presumed Acceptance of Plan

Debtor does not have any classes of creditors that are unimpaired..

3. One Vote Per Holder

If a Holder of a Claim holds more than one Claim in any one Class, all Claims of such Holder in such Class shall be aggregated and deemed to be one Claim for purposes of determining the number of Claims voting for or against the Plan.

D. Procedures and Deadlines for Completing Ballots and Voting

A Ballot for accepting or rejecting the Plan is enclosed for use by those creditors entitled to vote on the Plan. Holders of Claims entitled to vote should carefully read the instructions contained on the Ballot and complete, date, sign and mail the Ballot to the address indicated on the Ballot so that it is received no later than _____, **20**____. In order for your vote to be counted, your properly completed Ballot must be actually **received** at Jackson Kelly PLLC, Attn: Steven T. Mulligan, 1099 18th St., Suite 2150, Denver, Colorado 80202, which is the address indicated on the Ballot, fax number 303-390-0177, no later than _____, **20**____, **at 5:00 p.m.** prevailing Mountain Time. Ballots received by fax by this deadline will be deemed timely submitted.

E. Procedures for Vote Tabulation

In determining whether the Plan has been accepted or rejected, any Ballot timely received that contains sufficient information to permit the identification of the claimant, is signed by the claimant or an authorized agent, and is cast as an acceptance or rejection of the Plan, will be counted.

The following Ballots will not be counted in determining whether the Plan has been accepted or rejected: (a) any Ballot received after the voting deadline as set by the Bankruptcy Court; (b) any Ballot that is not signed or that contains insufficient information for the identification of the claimant; (c) any Ballot timely received that indicated neither an acceptance nor a rejection of the Plan; (d) any Ballot timely received that both indicated an acceptance and a rejection of the Plan; (e) any Ballot cast by (i) a creditor or Interest Holder who is not listed as a creditor or Interest Holder on Debtor' Schedules or whose Claim or Interest is listed as disputed, contingent or unliquidated, and who has not timely filed a proof of claim or interest with respect to the Claim or Interest being voted; or (ii) a creditor or Interest Holder who has timely filed a proof of claim or interest that is the subject of an objection and who has not obtained the temporary allowance of its claim for voting purposes; and (f) any Ballot cast by a person who does not hold a Claim or Interest in the Class in which it voted.

Whenever two or more Ballots are cast by the Holder of the same Claim prior to the voting deadline, the last Ballot received prior to the voting deadline will be deemed to reflect the voter's intent and thus supersedes prior Ballots.

F. Confirmation Hearing

The Bankruptcy Court entered an order fixing _____, 20____, at _____ .m., U.S. Customs House, Courtroom E, 721 19th Street, Denver, Colorado 80202 as the date, time and place for the hearing on confirmation of the Plan, and fixing _____, 20____ as the last date for filing objections to confirmation of the Plan and voting to accept or reject the Plan. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjournment thereof.

II. BRIEF OVERVIEW OF PLAN

The following discussion provides a general overview of the Plan and is qualified in its entirety by reference to the detailed information set forth in the Plan and the description set forth in this Disclosure Statement.

Under the Plan, Holders of Allowed Claims will be paid as provided for in the Plan following Confirmation out of Debtor's post-confirmation revenues. The means for achieving this result are set forth in Article 5 of the Plan. Generally, the Plan provides that Debtor will make cash payments to Holders of Allowed Claims from post-confirmation net cash derived from business operations. See **Exhibit C**, Projections, attached hereto. On the Effective Date of the Plan, Debtor will begin implementing the provisions of the Plan.

III. BACKGROUND INFORMATION ABOUT DEBTOR

A. Description of Debtor

Debtor has been in business for approximately fourteen years and publishes a magazine called *Bowhunt America*. Debtor was started by Bill Krenz and Sherry Krenz (“Krenz”). Debtor’s staff writes articles, designs the layout and sells advertising. Once the magazine is ready for publication, it is sent to a printer for printing and distribution. Historically, *Bowhunt America* was published six times a year but starting in 2015, publishing was reduced to four times a year. Debtor plans on five publications in 2017.

Debtor has approximately 56,000 subscribers and distributes through approximately 3,100 newsstands. Debtor also publishes a digital edition. In 2015, Debtor had about fifty-nine advertisers although that number has fallen.

Debtor has no employees. The people who work to get *Bowhunt America* published are employed by Zebra Publishing Inc. (“Zebra”), an affiliated company. Debtor pays Zebra a management fee of \$2,000.00 per month.

Debtor is owned by Krenz – seventy-five percent (75%), and SubDirect, LLC (“SubDirect”) – twenty-five percent (25%). Krenz is 100% owner of Zebra.

B. Events that lead Debtor into Chapter 11.

The immediate cause of Debtor’s case was a lawsuit filed by Publishers Press, Inc. (“PubPress”) in Louisville, Kentucky seeking to collect over \$172,000.00. However, debtor’s woes began prior to that. In 2008, the recession started and advertising dollars plummeted. Then, in 2010, Bill Krenz, the driving force behind *Bowhunt America*, died.

In 2012, Debtor needed funding and looked to SubDirect for help and SubDirect loaned Debtor \$135,000.00 in early 2013 on an unsecured basis. SubDirect also became an owner of Debtor at this time. Prior to 2013, Debtor was owned by Zebra but to facilitate the financing from SubDirect, Debtor was spun off from Zebra and became its own entity. Krenz also loaned debtor approximately \$416,000.00 on an unsecured basis to keep Debtor operational.

In 2015, Debtor sought to sale its assets and entered into discussions with several parties. None of the discussions resulted in a sale.

IV. PROCEEDINGS DURING CHAPTER 11 CASE

A. The Chapter 11 Case

Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Colorado on January 25, 2016. Since the Petition Date, Debtor has acted as a debtor-in-possession and no creditors’ committee or other committee was formed. The following summarizes the key events that have occurred in Debtor’s bankruptcy proceedings.

1. Retention of and Retainers to Professionals.

On March 1, 2016, the Court approved the retention of Jackson Kelly PLLC (“Jackson Kelly”) as counsel for Debtor, *nunc pro tunc* to the Petition Date (Dkt. No. 29). Prepetition, Jackson Kelly received the following payments from Debtor: \$6,000.00 on April 13, 2015; \$8,000.00 on October 1, 2015, and; \$5,000.00 on January 15, 2016. On January 21, 2016, Jackson Kelly applied \$3,466.85 to outstanding amounts leaving \$6,868.01 in Jackson Kelly’s trust account. The Court approved the prepetition retainer on March 7, 2016 (Dkt. No. 38).

2. Setting Bar Date for Filing Proofs of Claim or Interests

An order setting the bar date for filing proofs of claims or interests was entered by the Court on March 8, 2016 (Dkt. No. 39). The bar date for creditor claims was April 8, 2016. Notice of the bar date was served in accordance with such order. The Creditor List, attached hereto as **Exhibit B**, lists Debtor’s Creditors and creditors who have filed Proofs of Claim.

3. Payment of Prepetition Wages

On March 9, 2016, the Court authorized Debtor to pay Alliance for Audited Media the sum of \$2,285.25 for prepetition services. (Dkt. No. 40).

V. GENERAL DESCRIPTION OF CLASSIFICATION OF CLAIMS, IMPAIRMENT AND TREATMENT OF CLASSES UNDER THE PLAN

This Article V of the Disclosure Statement summarizes the Classification of Claims and Interests, and the treatment afforded each Class under the Plan. This summary of the Plan is qualified in its entirety by reference to the more detailed information set forth in the Plan. You should refer to the Plan itself for the operative language with respect to the classification and treatment of your specific Claim(s) and Interest(s).

A. Creditor List; Exhibit B

The Creditor List is attached to this Disclosure Statement as **Exhibit B**. Exhibit B sets forth each Creditor known to Debtor that has a Claim or has asserted a Claim against Debtor and the amount Debtor believes is owing to each Creditor. The Creditors are organized according to the Class designated by Debtor. In the column entitled “Projected Allowed Amount,” Debtor sets forth the amount it believes will be the amount of such Creditor’s Allowed Claim. Finally, each Creditor’s address appearing on Exhibit B will be the address used by Debtor or the Trustee to make payments under the Plan. A Creditor may change such address by providing written notice to Debtor and its counsel as provided in Section 11.8 of the Plan.

B. Financial Information; Exhibits C, D & E

Exhibit C attached to this Disclosure Statement sets forth Debtor’ estimated operating projections, including payments to Creditors for the next five years. Creditors are being paid from the net revenues generated from Debtor’s operations. Debtor believes Exhibit C is a reasonable estimate of their operating projections.

Exhibit D is Debtor's Income Statement for the period ending October 31, 2016.

Exhibit E is the Debtor's latest monthly operating report.

C. Unclassified Claims

Pursuant to § 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are unclassified in the Plan. Please refer to Article 3.1 of the Plan for the specific provisions for the treatment of Administrative Claims and Priority Tax Claims. Also, refer to Exhibit C for the schedule of payments to Priority Tax Claims.

1. Administrative Claims. Debtor do not believe there will be any Administrative Claims other than the fees and expenses of Debtor's professionals and the quarterly fees owing to the office of the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6). These Claims will be paid in full on the Effective Date of the Plan unless Holders of Administrative Claim and the United States Trustee agree to a different payment schedule. As of October 31, 2016, Jackson Kelly had outstanding and unpaid fees and expenses of approximately \$11,021.75. Debtor acknowledges its duty to pay post-confirmation quarterly fees to the United States Trustee and to comply with the United States Trustee's reporting requirements.

2. Priority Tax Claims. The treatment afforded to Priority Tax Claims is that permitted under Bankruptcy Code § 1129(a)(9)(c). See Plan at Section 3.1(b). The Allowed Priority Tax Claim will accrue interest from the Petition Date until paid at the statutory rate of interest out of which the tax arises.¹ Debtor asserts that there are no priority tax claims.

D. Classified Claims

The treatment of Claims classified by the Plan is generally discussed below. The treatment of classified Claims is set forth in Article 3 of the Plan. You should refer to the Plan for the operative language governing the treatment of your particular Claim and to the Creditor List. Claims and interests shall be treated as follows under this Plan:

1. Class 1 – General Unsecured Creditors. Class 1 consists of the Allowed Claims of any unsecured creditor of Debtor not otherwise classified under this Plan.

2. Class 2. Class 2 consists of any Claims or Interests of Debtor.

E. Treatment of Claims

1. Class 1 – General Unsecured Claims Not Otherwise Classified; Impaired. Holders of Claims in Class 1 shall be Allowed, as of the Effective Date, in the full amount of such Allowed Claims. Holders of Claims in Class 1 shall receive pro-rata distribution equal to five percent (5%) of Net Revenue generated over a three year period commencing on the Effective Date less the amount necessary to pay any Unclassified Priority Claimant who is

¹ The expected statutory rate of interest at Confirmation will be 3.55% for the IRS and eighteen percent (18%) for the Colorado Department of Labor.

receiving deferred payments. Commencing on the first full month following the Effective Date, Debtor shall at the conclusion of each month, set aside in a segregated account, an amount equal to five percent (5%) of the preceding month's Net Revenue. Each time six months payments have been set aside, Debtor shall make any payment due to Class 1 creditors on a pro-rata basis the month following the accumulation of six months of set aside. Class 1 is impaired and is entitled to vote on the Plan.

2. Class 2 – Claims or Interests; Impaired. Interests in Debtor will be cancelled and 100% of the interest in the Reorganized Debtor shall vest in Krenz. Class 2 is impaired and is entitled to vote on the Plan.

F. Description of Certain Other Significant Plan Provisions

1. Debtor' Business Operations Will Fund Plan. After Confirmation, the Reorganized Debtor will continue to operate and generate the revenues necessary to fund the Plan.

2. Executory Contracts and Unexpired Leases. All executory contracts and unexpired leases of the Debtor not already assumed or rejected by order of the Bankruptcy Court shall be assumed on the Effective Date.

3. Deadline for Filing of Administrative Claims

a. Administrative Claim (other than a Professional Fee Claim): Any person asserting an Administrative Claim (other than a Professional Fee Claim) shall file an application therefore with the Bankruptcy Court not later than thirty (30) days after the Effective Date.

b. Professional Fee Claim: Any Person asserting a Professional Fee Claim shall file a fee application with the Bankruptcy Court not later than sixty (60) days after the Effective Date for professional services rendered and out-of-pocket costs incurred through the Effective Date.

c. Bar: Any Administrative Claim or Professional Fee Claim not filed within the deadlines set forth above shall be forever barred, and Debtor shall be discharged of any obligation on such Claim.

4. Retention of Jurisdiction. Notwithstanding entry of the Confirmation Order or the occurrence of the Effective Date, the Plan provides that the Bankruptcy Court will retain jurisdiction to the full extent permitted by law. Please refer to Article 10 of the Plan for the specific provisions relating to the Bankruptcy Court's retention of jurisdiction after Confirmation.

5. No Distributions Pending Allowance. No payments or distributions will be made with respect to any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been determined by a Final Order of the Bankruptcy Court or the Claim otherwise becomes an Allowed Claim.

6. Unclaimed Distributions. If, in connection with any distribution under the Plan, any Holder entitled to a distribution is not found at the address set forth in the Court's creditor matrix, the Distribution Amount allocated to the Claim Account of such Holder shall be retained as part of the Estate and shall remain allocated to such Holder's Claim Account until the time of the Final Distribution. Pursuant to Bankruptcy Code § 347(b), all unclaimed distributions made under the Plan shall become property of the Reorganized Debtor thirty (30) days after the Final Distribution.

7. Miscellaneous Provisions. The Plan contains a number of other miscellaneous provisions not separately discussed in this Disclosure Statement, including provisions for modification of the Plan pursuant to the Bankruptcy Code, withdrawal of the Plan and certain indemnification and release provisions. Parties are referred to the Plan itself for details of such provisions.

VI. STATUS OF CLAIMS AND LITIGATION

In this Case, as in most bankruptcy cases, there is likely an undetermined amount of known and unknown claims against the Estates as well as an undetermined amount of known and unknown claims that the Estates may hold against other individuals or entities. The resolution and outcome of any such claims will affect the amount of Estate Assets available for distribution to Holders of Allowed Claims. This Article outlines the principal claims and litigation, if any, that could have a significant and material impact on the amount of Estate Assets available for distribution. However, not all claims or litigation can be anticipated or foreseen, and the Claims objection and resolution process has not as yet occurred in this case. Therefore, this is not a comprehensive list or discussion of all potential claims affecting the amount of Estate Assets available for distribution to Holders of Allowed Claims and the actual impact may vary the ultimate distribution to creditors significantly.

1. Claims Against the Estate

a. Claims: As set forth in the Creditors List at Exhibit B, the total projected allowed amount of Claims as of the date of filing this Disclosure Statement is \$735,657.36 all of which are general unsecured claims. However, some of the Claims, scheduled and filed, are subject to dispute, disallowance, reduction or subordination, under the Bankruptcy Code and some may be duplicated. The principal claim objections and potential Claim reductions are discussed below.

b. Disputed Claims. Based upon its initial review of the Creditor List, Debtor does not believe that there are any disputes with any claims.

c. Duplicate Claims. Again, based upon its initial review of the Creditor List, Debtor is not aware of any duplicative Claims being filed in this case. To the extent that duplicative Claims are on file or filed in the future, the amount of unsecured Claims will be reduced by the amount of such duplicative Claims.

d. Rejection Claims. The amount and extent of rejection Claims (arising from rejections under Bankruptcy Code § 365) is unknown at this time.

e. **Avoidance Actions and other Actions Held by the Estates.** Following confirmation of the Plan, the Reorganized Debtor will be entitled to prosecute any litigation claims of Debtor. However, Debtor does not believe it has any Claims or causes of action arising either under the Bankruptcy Code, including the so-called avoidance actions, or applicable non-bankruptcy law. Debtor does not believe that it will bring litigation after the Effective Date of the Plan. Nevertheless, the Plan provides that whatever Claims or causes of action which may constitute property of the estate will vest in Debtor.

VII. TAX CONSEQUENCES OF THE PLAN FOR CREDITORS AND SHAREHOLDERS

The treatment of Claims and Interests under the Plan may have important tax implications for Creditors and shareholders of Debtor. Debtor has not performed and will not perform any analysis of such tax implications. Holders of Claims and Interests are urged to obtain advice from their own tax advisors regarding the application of federal and state tax laws. In addition, there may be tax consequences associated with the liquidation or sale of assets after the effective date of the Plan. In such case, all such taxes will be paid from the proceeds of such assets prior to distribution to Creditors pursuant to the terms of the Plan.

VIII. FEASIBILITY AND RISK FACTORS

A. General Feasibility Analysis

Pursuant to Bankruptcy Code § 1129(a)(11), one of the requirements for confirmation of a plan of reorganization is a determination by the Bankruptcy Court that the plan is feasible – that is, that confirmation of the plan is not likely to be followed by liquidation or by the need for a further financial restructuring, unless such is specifically provided for in the plan. Debtor believes the Plan is feasible and that revenues from business operations will produce sufficient cash to fund the payments required under the Plan. See Exhibit C, Projections, attached hereto. Thus, Debtor believes the Plan is feasible.

B. Risk Factors

As with any plan of reorganization or other financial transactions, there are certain risk factors which must be considered. It should be noted that all risk factors cannot be anticipated, that some events will develop in ways that were not foreseen and that many or all of the assumptions that have been used in connection with this Disclosure Statement and the Plan will not be realized exactly as assumed. Some or all of such variations may be material. While every effort has been made to be reasonable in this regard, there can be no assurance that subsequent events will bear out the analysis set forth herein. Under the Plan, some of the principal risks that Holders of Claims should be aware of, in the view of Debtor, are as follows:

- The Plan is subject to approval by the Holders of Allowed Claims. No assurance can be given that the Plan will be accepted by the requisite amount of Holders of Allowed Claims or confirmed by the Bankruptcy Court. Failure of the Holders of Allowed Claims to vote for the Plan or non-confirmation by the Bankruptcy Court could lead to delay and the incurrence of additional expenses.

- As more fully discussed in Article VI of this Disclosure Statement, there may be claims against the Estates. The outcome of all types of litigation or Claims objections is uncertain. Resolution of such actions may significantly augment or dilute, accordingly, the amount of Estate Assets available for distribution to Holders of Allowed Claims.
- The tax consequences of the Plan may vary significantly from the anticipated consequences that will result in less funds being available for distribution to the Holders of Allowed Claims.
- Debtor's business may fail or suffer and be unable to generate sufficient revenues to fund the Plan.

The foregoing risks are inherent in any bankruptcy case, including liquidation under Bankruptcy Chapter 7.

IX. ALTERNATIVES TO THE PLAN

As a condition to confirmation, the Bankruptcy Code requires that creditors receive on account of their Claims at least as much as they would receive if the case were a case filed under Chapter 7 of the Bankruptcy Code. Debtor believes that the Plan meets this test. However, if the Plan is not confirmed or consummated, the alternatives include: (i) conversion to liquidation under Chapter 7 of the Bankruptcy Code; or (ii) confirmation of an alternative Chapter 11 plan. It is also possible that the Chapter 11 Case could be dismissed.

A. Liquidation Under Chapter 7

In evaluating the Plan, Debtor considered the alternative of a liquidation of its assets under Chapter 7 of the Bankruptcy Code. Debtor believes that the Plan serves to: (i) maximize the Distribution to be received by all Holders of Allowed Claims; (ii) allow the Holders of Allowed Claims to vote on approval of the Plan and thereby exercise some control over the liquidation and distribution process; (iii) expedite distributions to Holders of Allowed Claims; and (iv) significantly minimize potential expenses, which could dilute the amount of Estate Assets available for Distribution to Holders of Allowed Claims.

In a Chapter 7, an independent trustee would be appointed to liquidate the estate. The trustee would be chosen by the United States Trustee's Office for the District of Colorado as serve as interim trustee until the meeting of creditors pursuant to 11 U.S.C. § 341. If no other trustee is elected as provided for in 11 U.S.C. § 702 by the conclusion of the meeting of creditors, the interim trustee shall then become the trustee to serve in the particular Chapter 7 case. The Chapter 7 trustee would make the requisite decisions with respect to the liquidation of the Estate, the hiring of professionals, the pursuit of any claims or litigation, the payment or objection to Claims, and the Distribution of any ultimate dividend. The Chapter 7 trustee would be paid pursuant to the provisions of Bankruptcy Code § 326(a), although, in certain circumstances, a Chapter 7 trustee can apply to the Bankruptcy Court for a different type of compensation.

Pursuant to the Bankruptcy Code and the Plan as proposed, Creditors whose Allowed Claims are Impaired are entitled to vote to approve the procedure by which the Estates will be liquidated and the way the Estate Assets will be distributed. This right to vote allows such creditors to examine the Plan and understand the potential recovery for creditors as well as the risks. On the other hand, in a Chapter 7 case, after the opportunity for notice and a hearing whereby a Creditor or other party in interest may object, the Chapter 7 trustee makes the decisions as tempered by requirements and supervision provided in the Bankruptcy Code regarding liquidation and distribution of estate assets.

Debtor believes that chapter 7 liquidation would result in no distribution being made to the Holders of Allowed Claims. In a Chapter 7, the payments effectuated through the Plan would not occur. Rather, the Chapter 7 trustee would need to liquidate unencumbered assets to generate money to distribute to Holders of Allowed Claims. In this case, Debtor does not believe that any of its assets could be liquidated. As discussed above, Debtor attempted to sell its assets in 2015 but did not receive any offers. Thus, there would be no money from which to make distributions to unsecured creditors.

B. Alternative Plan.

If the Plan is not confirmed, any other party in interest, subject to certain orders of the Bankruptcy Court, could attempt to formulate a different Plan. Debtor believes that significant additional costs, risks and delays would be incurred in connection with any alternative Plan, and that no party in interest has more incentive to create the best possible Plan for creditors than Debtor.

While it is certainly possible that, if the Plan is not confirmed, another plan could eventually be confirmed, Debtor believes that it is unlikely that any plan could be developed which would provide greater value or certainty of closure than the Plan proposed herein. In addition, any such Plan would be a plan, essentially similar and comparable to the results of chapter 7 liquidation as described above.

X. REQUIREMENTS FOR CONFIRMATION

In order to confirm the Plan, Bankruptcy Code § 1129(a) requires that the Bankruptcy Court make a series of findings concerning the Plan and Debtor, including:

1. that the Plan has classified Claims and Interests in a permissible manner;
2. that the Plan complies with the applicable provisions of the Bankruptcy Code;
3. that Debtor have complied with applicable provisions of the Bankruptcy Code;
4. that Debtor have proposed its Plan in good faith and not by any means forbidden by law;
5. that the disclosure required by Bankruptcy Code § 1125 have been made;

6. that the Plan has been accepted by the requisite votes of creditors (except to the extent that Confirmation is available under Bankruptcy Code § 1129(b));

7. that the Plan is feasible and that Confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of Debtor;

8. that the Plan is in the “best interests” of all Holders of Claims or Interests in an Impaired Class by providing the creditors on account of their Claims or Interests property of a value, as of the Effective Date, that is not less than the amount that any such Holder would receive or retain in a Chapter 7 liquidation, unless each Holder of a Claim or Interest in such Classes accepts the Plan;

9. that all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing and Confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date; and

10. that the Plan provides for the continuation after the Effective Date of all retiree benefits, if any, as defined in Bankruptcy Code § 1114.

Section 1129(b) of the Bankruptcy Code permits the Bankruptcy Court to confirm a Plan of reorganization notwithstanding Debtor’s failure to obtain the requisite acceptance of the Plan for each Impaired Class of Claims or Interests, as long as one Impaired Class accepts the Plan. This procedure is known as a “cram down.”

With respect to secured claims, the Plan may be confirmed over an objection if the Plan provides (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims; and (ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder’s interest in the estate’s interest in such property.

With respect to unsecured claim, the Plan may be confirmed over the non-acceptance of an Impaired Class if the other Confirmation requirements set forth in Bankruptcy Code § 1129(a) (other than paragraph (8)) are met, the Plan does not unfairly discriminate with respect to such Class, and (i) the members of the non-accepting Class receive full payment of their Allowed Claim or Allowed Interests, or (ii) the holders of Claims or Interests in such Class are to receive less than full payment, but no Class junior to the non-accepting Impaired Class receives or retains any property under the Plan. If the applicable requirements of Bankruptcy Code § 1129(a), other than paragraph 8 thereof, are met with respect to Debtor’ Plan, Debtor hereby requests that the Bankruptcy Court confirm the Plan under Bankruptcy Code § 1129(b).

Because there may not be sufficient value to pay Claims in full, Debtor have attempted to draft the Plan so that it complies with the requirements of Bankruptcy Code § 1129(b) so as to avoid needless litigation at confirmation. Debtor believes that the Plan complies with Bankruptcy Code § 1129(b).

You should consult your own attorney if a “cramdown” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

XI. FINAL DECREE

Prior to closing this Chapter 11 case, a Final Decree from the Bankruptcy Court, pursuant to Bankruptcy Rule 3022, must be entered. Debtor will seek entry of a final decree as soon as reasonably practicable after Confirmation.

XII. CONCLUSION AND RECOMMENDATION

Debtor submits that the Plan complies in all respects with Chapter 11 of the Bankruptcy Code, is fair and equitable, and provides for a greater, more immediate and certain return than would likely be achieved under any other reasonable alternative. Therefore, Debtor strongly recommends that Holders of Claims who are entitled to vote on the Plan vote to accept the Plan.

Debtor reminds such holders that their signed and marked ballots *must be received* no later than **5:00 p.m.**, Mountain Time on _____, **20**____, at the address indicated on the ballot and which is Jackson Kelly PLLC, Attn: Steven T. Mulligan, 1099 18th St., Suite 2150, Denver, Colorado 80202.

Dated: November 21, 2016.

BOWHUNT AMERICA, LLC
Debtor in Possession and Proponent of the Plan

By: /s/ Sherry Krenz
Sherry Krenz, Manager

APPROVED AS TO FORM:

JACKSON KELLY PLLC

By: /s/ Steven T. Mulligan
Steven T. Mulligan, #19901
1099 18th Street, Suite 2150
Denver, CO 80202
Telephone: (303) 390-0003
Facsimile: (303) 390-0177
smulligan@jacksonkelly.com

Attorneys for Debtor

INDEX OF EXHIBITS

EXHIBIT A –	PLAN OF REORGANIZATION [to be attached upon approval]
EXHIBIT B –	CLAIMS
EXHIBIT C –	PROJECTIONS
EXHIBIT D –	INCOME STATEMENT
EXHIBIT E –	LATEST MONTHLY OPERATING REPORTS

EXHIBIT A

Plan

To be attached upon approval.

Exhibit B**IN RE BOWHUNT AMERICA, LLC**

Case No. 16-10549 TBM

Creditor Chart

Creditor	Address	City	State	Zip	Scheduled Amount	Class	Schedule	Contingent / Unliquidated / Disputed	POC #	POC Amount	Projected Allowed Amount
SECURED CLAIMS											
							D				
							D				
							D				
TOTALS										\$0.00	\$0.00
UNSECURED PRIORITY											
							E				
							E				
							E				
TOTALS										\$0.00	\$0.00
UNSECURED CLAIMS											
Alliance for Audited Media	48 W. Seegers Rd.	Arlington Heights	IL	60005-3913	\$664.00	1	F				\$664.00
Circulation Specialist, Inc.	2 Corporate Dr., Suite 945	Shelton	CT	06484-0000	\$1,500.00	1	F				\$1,500.00
Jamison Farms	P.O. Box 943	West Plains	MO	65775-0000	Unknown	1	F				\$0.00
Matthews Inc.	P.O. Box 367	Sparta	WI	54656-0000	Unknown	1	F		1	\$42,225.00	\$0.00
Publishers Press, Inc.	100 Frank E. Simon Ave.	Shepherdsville	KY	40165-0000	\$172,931.10	1	F	Disputed	3	\$172,931.10	\$172,931.10
Publishers Printing Co., LLC	100 Frank E. Simon Ave.	Shepherdsville	KY	40165-0000	\$0.00	1	F	Disputed			\$0.00
Sherry Krenz	2960 N. Academy Blvd., Suite 101	Colorado Springs	CO	80917-0000	\$416,538.81	1	F				\$416,538.81
SubDirect, LLC	653 W. Fallbrook Ave., Suite 101	Fresno	CA	93711-5503	\$135,000.00	1	F				\$135,000.00
Sunbelt Fulfillment Services	307 Southgate Court	Brentwood	TN	37027-0000	\$2,785.50	1	F		2	\$9,023.45	\$9,023.45
TOTALS										\$224,179.55	\$735,657.36

EXHIBIT C

Projections

To be provided.

EXHIBIT D

Income Statement for Period Ending October 31, 2016

To be provided.

EXHIBIT E

Latest Monthly Operating Report

To be provided.