

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

In re:	)	
	)	Case No. 17-11037-EEB
ENDLESS SALES, INC.	)	
EIN: 26-2964586	)	Chapter 11
	)	
Debtor.	)	

**DISCLOSURE STATEMENT TO ACCOMPANY  
CHAPTER 11 PLAN OF REORGANIZATION DATED DECEMBER 6, 2017**

This Disclosure Statement (“Disclosure Statement”) has been prepared by Endless Sales, Inc. (“Endless Sales” or “Debtor”), to accompany its Chapter 11 Plan of Reorganization dated December 6, 2017 (“Plan”) which was filed in the above-referenced Chapter 11 case. This Disclosure Statement is being provided to all creditors and interest holders of Endless Sales. This Disclosure Statement is subject to approval pursuant to 11 U.S.C. § 1125 by the United States Bankruptcy Court for the District of Colorado as containing adequate information to enable creditors and interest holders to determine whether to accept the Debtor’s Plan. The Court’s approval of this Disclosure Statement does not constitute a decision on the merits of the Plan. Issues related to the merits of the Plan and its confirmation will be the subject of a confirmation hearing which is scheduled for \_\_\_\_\_, 201\_ at \_\_:00 .m. at the **United States Bankruptcy Court, U.S. Customs House, 721 19th Street, Courtroom F, Denver, Colorado 80202.**

THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION HAS SIMILARLY NOT REVIEWED THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT.

The Plan of Reorganization is the governing document or contract between the Debtor and creditors once it is confirmed by the Court. In the event of any inconsistencies between the Plan and this Disclosure Statement, the Plan supersedes the Disclosure Statement and will be the sole court-approved document that governs the post-confirmation relationship and agreements between the parties.

This Disclosure Statement is provided to you along with a copy of the Debtor's Plan and a Ballot to be used for voting on the Plan. Please complete the Ballot according to the instructions contained on the Ballot if you intend to vote for or against the Debtor's Plan. Each creditor or interest holder may vote on the Plan by completing the enclosed Ballot and returning it to counsel for the Debtors at the address set forth below:

Jeffrey S. Brinen  
Keri L. Riley  
Kutner Brinen, P.C.  
1660 Lincoln St., Suite 1850  
Denver, Colorado 80264

This Ballot must be received by Kutner Brinen, P.C. no later than **5:00 P.M. on \_\_\_\_\_, 201\_** which is the date set by the Court as the last day to vote on the Plan. Terms contained in this Disclosure Statement, which are defined in the Plan, have the same meaning as set forth in the definitional section of the Plan.

**Recommendation.** As set forth below, the Debtor firmly believes that the Plan represents the best alternative for providing the maximum value for creditors. The Plan provides creditors with a distribution on their Claims in an amount greater than any other potential known option available to the Debtor. **The Debtor strongly believes that confirmation of the Plan is in the best interest of creditors and recommends that all creditors entitled to vote on the Plan vote to accept the Plan.**

**Voting Requirements.** Pursuant to the Bankruptcy Code, only Classes of Claims or Interests that are "impaired" under the Plan are entitled to vote to accept or reject the Plan. Classes of Claims and Interests that are not impaired are not entitled to vote and are deemed to have accepted 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 in amount and more than one-half in number of the Allowed Claims of such Class actually voting.

**Voting Classes.** Each holder of an Allowed Claim in Classes 2 through 5 shall be entitled to vote to accept or reject the Plan.

**Deemed Acceptance of Plan.** Unimpaired classes are conclusively presumed to accept the Plan pursuant to 11 U.S.C. § 1126(f).

**Deemed Rejection of Plan.** Classes that receive and retain nothing under the Plan are deemed to reject the Plan pursuant to 11 U.S.C. § 1126(g). No class will receive nothing under

the Plan and therefore there are no classes deemed to have rejected the Plan.

**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.

## **I. CHAPTER 11 AND PLAN CONFIRMATION**

Chapter 11 of the United States Bankruptcy Code is designed to allow for the rehabilitation and reorganization of financially troubled entities or individuals. Chapter 11 allows a debtor to retain its assets during administration of their Chapter 11 case as a debtor-in-possession. Following confirmation of the Plan, Chapter 11 allows the debtor to distribute its remaining assets in accordance with the priority set forth in the Bankruptcy Code.

The Plan of Reorganization divides creditors into classes of similarly situated creditors. All creditors of the same Class are treated in a similar fashion. All interests are also classified and treated alike. Each Class of creditors or interest holders is either impaired or unimpaired under the Plan. A Class is “unimpaired” if the Plan leaves unaltered the legal, equitable, and contractual rights to which each creditor in the class is entitled. Alternatively, a claimant is “unimpaired” if the Plan provides for the cure of a default and reinstatement of the maturity date of the claim as it existed prior to the default.

On March 3, 2017, the Debtor filed a motion requesting the Court set a bar date for filing claims and requests for allowance of administrative expense claims under 11 U.S.C. § 503(b)(9). On March 7, 2017, the Court entered an Order establishing May 12, 2017 as the last day for: a) filing Proofs of Claim for a pre-petition claim or interest; and b) by which motions or requests for allowance of administrative expense claims pursuant to 11 U.S.C. § 503(b)(9) must be filed (“Bar Date”).

The Plan provides that Claims of all Classes shall be allowed only if such claims are either: (a) evidenced by a timely filed Proof of Claim; or (b) appear in the Debtor’s Schedules and are scheduled as disputed, contingent, or unliquidated unless subsequently allowed by the Court. Creditors may check as to whether or no their claims have been scheduled as disputed, contingent, or unliquidated by reviewing the Debtor’s Schedules and amendments thereto filed by the Debtor in the Bankruptcy Court for the District of Colorado. Alternatively, creditors may contact Debtor’s counsel or the Debtor directly to determine how their claims have been

scheduled.

Chapter 11 does not require that each holder of a Claim against or Interest vote in favor of the Plan in order for the Court to confirm the Plan. The Plan, however, must be accepted by at least one impaired Class of Claims by a majority in number and two-thirds in amount (excluding insider acceptance) of those Claims of such Class actually voting on the Plan. Assuming one impaired Class votes to accept the Plan, the Plan may be confirmed over its rejection by other Classes if the Court finds that the Plan does not discriminate unfairly and is fair and equitable with respect to each Class of Claims or Interests that is impaired under and has not accepted the Plan.

If all Classes of Claims and Interests vote to accept the Plan, the Court may confirm the Plan. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation. Among other things, Section 1129 requires that the Plan be in the best interest of the holders of Claims and Interests and be feasible through a showing that confirmation will not be followed by the need for further financial reorganization of the Debtor.

Each class of creditors who is impaired will have an opportunity to vote on the Plan. In the event the requisite majority of each class votes to accept the Plan, the Plan will be deemed accepted by the subject class. If a class of creditors votes to reject the Plan, the Plan may be confirmed over the rejection of the class pursuant to 11 U.S.C. § 1129(b).

## II. OVERVIEW OF THE PLAN AND MEANS OF EXECUTION

The Plan divides creditors and interest holders into the following six (6) classes. Treatment of each of the Classes is discussed in greater detail below and in the Plan. The following table summarizes the Classes, whether or not each such Class is impaired, and to the extent determinable, the treatment of each Class.

<b>Class</b>	<b>Impairment</b>	<b>Treatment</b>
1 - Priority Claims in Section 507(a)(4) and (5)	Unimpaired	100% Distribution. No Class 1 claims exist.
2A, B, and C - BBVA Compass	Impaired	The Class 2A, B, and C Claims shall retain their liens and shall be allowed in the full amount due on the Effective Date, including fees and interest, and will bear interest at a

		rate of 6% per annum. The Class 2 Claims will be amortized and paid in equal monthly installments over five (5) years from the Effective Date of the Plan. Monthly payments shall be approximately \$11,643.72.
3 - BMO Harris Bank ("BMO")	Impaired	The Class 3 Claim shall retain its lien and shall be allowed in the amount of \$72,000 or, if BMO objects, such other amount as agreed to by the Debtor and BMO. The Class 3 Claim will bear interest at a rate of 8% per annum, and shall be amortized and paid in equal monthly installments over five (5) years following the Effective Date of the Plan. Monthly payments shall be approximately \$1,459.90.
4 - U.S. Bank, N.A. d/b/a U.S. Bank Equipment Finance ("U.S. Bank")	Impaired	The Class 4 Claim shall retain its lien and shall be allowed in the amount of \$25,000 or, if U.S. Bank objects, such other amount as agreed to by the Debtor and BMO. The Class 4 Claim will bear interest at a rate of 6% per annum, and shall be amortized and paid in equal monthly installments over three (3) years following the Effective Date of the Plan. Monthly payments shall be approximately \$760.55.
5 - Unsecured Creditors	Impaired	Class 5 Claimants shall receive pro-rata distributions equal to 1.5% of the Debtor's Gross Revenue generated over five years commencing on

		the Effective Date less the amount necessary to pay Unclassified Priority Claims. Payments will be made every three (3) months, commencing 3 months from the Effective Date (distributions will be on a pro-rata basis) until Class 5 Claims are paid in full with 2% interest per annum.
6 - Interest in Endless Sales held by Firkins	Unimpaired	Class 6 Interest holders shall retain their interest in Endless Sales

### **III. BACKGROUND AND EVENTS LEADING TO CHAPTER 11 FILING**

Endless Sales is a Colorado corporation engaged in the business of buying, refurbishing, and reselling used forklifts out of a warehouse it leases on a month-to-month basis at 4625 Colorado Blvd., Denver, CO 80216 (the “Property”). Additionally, the Debtor designs and sells its own line of forklifts, known as “Octane Forklifts.” Octane Forklifts are manufactured by Zhejiang Goodsense Forklift, Co., Ltd and are shipped to the Debtor from China.

#### **A. Construction of the Property**

In 2013, the Debtor entered into a Lease Agreement with Big B, LLC (“Big B”) for the lease of the Property. After entering in the Lease, the Debtor undertook substantial efforts to outfit the Property in order to bring the Property up to code and to meet the needs of the business, including installing a full paint and body shop and equipment to complete repairs and battery reconditioning. The construction on the Property took significantly longer and cost significantly more than anticipated. During the construction, the Debtor also encountered legal issues resulting from the construction when a general contractor improperly asserted a mechanics lien against the Property. The ongoing issues with the construction impaired the debtor’s full use of the Property, resulting in a decrease in the Debtor’s sales. The Debtor was also forced to expend significant amounts on legal fees to resolve mechanics lien issues and to resolve issues with the Property.

## **B. Employee Issues**

The Debtor was in the process of building its sales following the resolution construction issues when, in 2015 and 2016, the Debtor determined that several of its sub-contracted salespeople were using the Debtor's proprietary customer database to poach customers from the Debtor. While the salespeople were terminated after the Debtor discovered the misappropriation, their actions and the substantial decrease in sales staff resulted in the Debtor losing over \$1.5 million in sales from 2015 to 2016, delaying the Debtor's ability to regrow its business.

Following the termination of the subcontractors, two of the Debtor's employees, Jason Frye ("Frye") and Taylor Hansen ("Hansen"), filed Complaints in the District Court for the City and County of Denver, Case. No. 2016CV31143 and 2016CV31144 respectively (together the "Employment Lawsuits"), seeking damages for various claims against the Debtor and Brian Firkins ("Firkins") for violation of the Colorado Minimum Wage Act, improper wage deductions, and wrongful discharge. The Debtor was forced to expend significant amounts on legal fees to defend against the Employment Lawsuits, and the time required to defend against the Employment Lawsuits took Firkins away from the active management of the Debtor for extended periods of time, resulting in a further decrease in the Debtor's sales. The Debtor was further advised that the attorneys representing Frye and Hansen intended to contact other former employees in an effort to bring similar lawsuits against the Debtor.

As a result of the financial strain caused by the decrease in sales and the ongoing litigation, as well as the possibility of additional, unknown and unfiled claims against the Debtor, the Debtor elected to file its Chapter 11 Petition to continue its operations and restructure its debts.

## **IV. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE**

### **A. Motions for Use of Cash Collateral**

Pre-petition, the Debtor entered into three loans with BBVA Compass ("Compass") that are secured by the value of the Debtor's assets, including inventory, cash, accounts receivables, equipment, and accounts. On February 13, 2017, the Debtor filed a Motion for Authority to Use Cash Collateral, seeking interim and final authority to use cash in which Compass has a secured interest. The Court entered an Interim Order Authorizing Use of Cash Collateral, authorizing the

Debtor's use of funds in which Compass held an interest on an interim basis from February 17, 2017 through March 3, 2017.

On March 2, 2017, the Court entered an Order Approving Stipulation for Use of Cash Collateral between the Debtor and Compass. The Order authorized the Debtor's continued use of cash collateral through May 31, 2017. Pursuant to the Stipulation, the Debtor agreed to provide Compass with a replacement lien on all inventory, equipment, cash, accounts receivable, and accounts generated by the Debtor post-petition, and make monthly adequate protection payments to Compass in the amount of \$13,950.

The Debtor's use of cash collateral was extended by agreement with Compass until, on September 13, 2017, Compass filed an Objection to Debtor's Use of Continued Use of Cash Collateral and Motion to Prohibit Further Use of Cash Collateral or Provide Adequate Protection ("Cash Collateral Objection"). The Court entered an Order Prohibiting Use of Cash Collateral on September 14, 2017. The Debtor and Compass subsequently entered into an additional Stipulation for Use of Cash Collateral on September 22, 2017, pursuant to which the Debtor's adequate protection payments to Compass increased to \$17,500.

#### **B. Emergency to Approve Post-Petition Financing**

On March 1, 2017, the Debtor filed an Emergency Motion to Approve Post-Petition Financing Pursuant to 11 U.S.C. § 364 ("Financing Motion"), seeking approval of a post-petition loan in the amount of \$100,000 from Brian Firkins in order to secure delivery of certain Octane Forklifts from Zhejiang Goodsense Forklift Co., Ltd. ("Goodsense") that being held pending payment in full of the amounts owed, and included several pre-sold forklifts. The Financing Motion further requested authorization to grant Firkins a first-position lien in the inventory to be delivered from Goodsense. The Court entered an Order Granting Emergency Motion to Approve Post-Petition Financing on a Final Basis on March 3, 2017. Firkins' post-petition loan was subsequently repaid in full from amounts collected from the sale of the delivered equipment in accordance with the terms of the post-petition loan.

#### **C. Motion for Relief from Stay Filed by Hansen and Frye**

On March 28, 2017, Frye and Hansen filed a Motion for Relief from Stay to proceed with the State Court Cases. The Debtor filed an Objection on April 20, 2017. Following a hearing on the Motion for Relief from Stay on April 27, 2017, the Court granted the Motion for Relief from Stay, allowing Hansen and Frye to proceed with the State Court Cases. Firkins, Frye, and



Hansen were eventually able to reach a settlement that resulted in the withdrawal of Hansen's claim, and the reduction of Frye's claim.

### **C. Motion to Approve Post-Petition Trade In**

On August 1, 2017, the Debtor filed a Motion to Authorize Post-Petition Vehicle Trade In, seeking authorization to trade in its 2010 BMW X6 for a credit against the purchase of a 2011 BMW x6Drive35i. The engine in the 2010 BMW X6 failed, and as a result, the vehicle was inoperable and losing value. The Debtor sought to trade in the vehicle for a \$15,000 credit against the purchase of the 2011 BMW x6Drive 35i, with the remainder of the purchase price to be paid by Vanessa Garcia. The Court entered an Order Granting the Motion to Authorize Post-Petition Vehicle Trade In on August 31, 2017.

### **V. DESCRIPTION OF ASSETS**

The scheduled value of the Debtor's assets, inclusive of (a) assets listed on Schedule A/B as of the Petition Date and (b) assets listed on Amended Schedule A/B filed on May 5, 2017, is set forth in the following chart:

<b><u>Asset</u></b>	<b><u>Estimated Value</u></b>
Debtor in Possession Account (as of 10/31/17)	\$803,057.05
Accounts Receivable (as of 10/31/17)	\$0
Inventory (As of 11/22/17)	\$1,395,023.33
Office Furniture and Equipment	\$3,500.00
2015 Freightliner A882496	\$72,000.00
2005 Chevy Astro	\$1,375.00
2004 International 4300	\$10,000.00
2008 BMW 335i	\$3,500.00
2009 Lamborghini	\$124,000.00
2011 BMW xDrive35i	\$28,000.00
Paint Booth	\$25,000.00
Leasehold Improvements	\$85,000.00
Discount Forklift Website (www.discountforkliftbrokers.com)	Unknown
Octane Forklift Website (www.octaneforklifts.com)	Unknown
Octane Trademark	Unknown
Customer List	Unknown
Amounts owed from Gym Uptown (uncollectible)	\$413,174.97
<b>Total</b>	<b>\$2,963,630.35</b>

The Debtor's primary asset is its inventory of new and used forklifts. At any given time, the Debtor possesses an inventory of 100 or more new and used forklifts, along with related accessories or attachments. The Debtor has valued its inventory based on the total purchase price of the equipment and any replacement parts and accessories.

The Debtor also scheduled a loan made to Gym Uptown on a pre-petition basis. Gym Uptown is another business owned by Firkins. While Gym Uptown is still operating, it does not generate sufficient revenue to repay the loan from the Debtor. As a result, the Debtor believes that the loan to Gym Uptown is uncollectible.

### **Avoidance Actions**

The Debtor made a number of payments in the ninety days prior to filing. A majority of these payments were made to BBVA Compass on account of the Debtor's secured loans. The Debtor also made several payments to vendors as payments for services and parts. In the year prior to filing, the Debtor also made several payments to insiders, including payments to Big B, LLC for rent for the property occupied by the Debtor, and to Firkins as reimbursements for loans made to the company on a short term basis. The Debtor has reviewed these payments and believes that the transferees would likely have valid defenses to any claims for preferential transfers or fraudulent conveyances. As a result, the Debtor does not believe that any avoidance actions exist.

## **VI. DESCRIPTION OF LIABILITIES**

### **A. Priority Claims**

#### **1. Priority Claims**

Priority Claims are defined in the Plan as any pre-petition Claim entitled to a priority in payment under § 507(a) of the Code, excluding any Administrative Claim or Tax Claim. Section 507(a) of the Code includes but is not limited to claims for: domestic support obligations owed on the date of filing; wages, salaries, or commissions, including vacation, sick leave, or severance pay owing to employees; and sales commissions earned by an individual within 180 days prior to filing the petition. 11 U.S.C. § 507(a)(1)-(4) (2016). The Debtor does not believe that any such priority claims exist.

#### **2. Administrative Claims**

Administrative Claims are those Claims for payment of an administrative expense of a kind specified in 11 U.S.C. § 503(b) or § 1114(e)(2) entitled to priority pursuant to 11 U.S.C. §

507(a)(2), including but not limited to: the actual, necessary costs and expenses incurred after the Petition Date to preserve the estate and operate the Debtor's business, including wages, salaries, or commissions for services rendered after the commencement of the Chapter 11 Case; (b) payment of professional fees; (c) fees payable to the trustee; and (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court. The Administrative Claims included professional fees incurred during the case which remain unpaid, including attorney fees and costs for Kutner Brinen, P.C. and Hampton & Pigott, LLP.

The Debtor retained Kutner Brinen, P.C. ("KB") as its bankruptcy counsel. The Court approved the Debtor's employment of KB on September 20, 2017 *nunc pro tunc* to February 13, 2017. The Debtor provided KB a retainer in the amount of \$13,349, which was approved by the Court on March 13, 2017, and has received post-petition payments in the amount of \$17,985 in accordance with the Order Regarding Advance Payment of Interim Compensation to Professionals. For the period of February 13, 2017 (Petition Date) through December 4, 2017, KB has incurred approximately \$33,986.50 in attorney fees and \$2,865.46 in costs on behalf of the Debtor. KB estimates that the total legal fees and costs for KB due from the Debtor will increase by approximately an additional \$5,000 as of the estimated date on which the Plan will become effective. The fees could increase or decrease depending on the level of litigation over the Plan.

The Debtor also retained Hampton & Piggot, LLP ("Special Counsel") to represent the Debtor with respect to the State Court Cases and general commercial litigation matters. The Debtor has sought approval of post-petition fees and costs in the amount of \$9,570 (fees: \$9,340; costs: \$230), which fees and costs were approved by the Court on an interim basis on November 1, 2017. The Debtor anticipates that Special Counsel's fees and costs will increase an additional \$3,000 based legal services provided to the Debtor.

### **3. Tax Claims**

Tax Claims are any Claim of a governmental unit for taxes entitled to priority pursuant to 11 U.S.C. § 507(a)(8). Endless Sales listed the Colorado Department of Revenue ("CDR") on its Schedule E for notice purposes, and CDR has not filed a proof of claim. The Internal Revenue Service ("IRS") filed Proof of Claim No. 1-3 in the amount of \$1,465.00 as a priority claim for taxes owed.

**4. Classified Priority Claims**

**a. Class 1 Priority Claims.** The Class 1 claims for certain pre-petition wages and employee Claims are more particularly described in Sections 507(a)(4) and 507(a)(5) of the Code. On February 13, 2017, the Debtor filed a Motion of the Debtor and Debtor-in-Possession for an Order Authorizing (A) Payments of Prepetition Employee Wages and Salaries; and (B) Payment of All Costs and Expenses Incident to the Foregoing Payments, which was granted by the Court on February 16, 2017. As such, the Debtor does not believe any Class 1 Claims exist.

**B. Secured Claims.**

**1. BBVA Compass Bank, NA (“Compass”) (Class 2A).** The Class 2A Claim is secured by specific equipment owned by the Debtor. Compass filed Proof of Claim No. 5-1 asserting a secured claim against the Debtor in the amount of \$105,747.69 evidenced by a Promissory Note, Commercial Security Agreement, and Business Loan Agreement dated July 15, 2015 in the original principal amount of \$200,000. The Class 2A Claim has been reduced post-petition by adequate protection payments made by the Debtor in accordance with the Stipulation for Use of Cash Collateral. The Debtor believes that the Class 2A Claim is oversecured by the value of the collateral.

**2. BBVA Compass Bank, NA (Class 2B).** The Class 2B Claim is secured by specific equipment owned by the Debtor. Compass filed Proof of Claim No. 6-1 asserting a secured claim against the Debtor in the amount of \$299,125.29 evidenced by a Business Loan Agreement and Commercial Security Agreement in the original principal balance of \$300,000. The Class 2B Claim has been reduced post-petition by adequate protection payments made by the Debtor in accordance with the Stipulation for Use of Cash Collateral. The Debtor believes that the Class 2B Claim is oversecured by the value of the collateral.

**3. BBVA Compass Bank, NA (Class 2C).** The Class 2C Claim is secured by substantially all of the Debtor’s assets, including but not limited to inventory, accounts and equipment. Compass filed Proof of Claim No. 7-1 asserting a secured claim against the Debtor in the amount of \$239,402.82 evidenced by a Business Loan Agreement, Promissory Note, and Commercial Security Agreement in the original principal balance of \$500,000. The Class 2C Claim has been reduced post-petition by adequate protection payments made by the Debtor in

accordance with the Stipulation for Use of Cash Collateral. The Debtor believes that the Class 2C Claim is oversecured by the value of the collateral.

**4. BMO Harris Bank N.A. (“BMO”) (Class 3).** BMO’s Claim is secured by a purchase money security interest in a 2015 Freightliner Century-Series and 2015 LCG 28’ Flatbed Trailer. BMO filed Proof of Claim No. 4-1 asserting a secured claim in the amount \$138,139.22. The Debtor believes that BMO’s Claim is undersecured by the value of its collateral.

**5. U.S. Bank, N.A., d/b/a U.S. Bank Equipment Finance (“U.S. Bank”) (Class 4).** U.S. Bank’s Claim is secured by a security interest in a Garmat G90 Single Skin Cabin Spray Booth. U.S. Bank filed Proof of Claim No. 2-1 asserting a secured claim in the amount of \$25,000, and an unsecured deficiency claim in the amount of \$37,631.40.

**C. Non-Priority Unsecured Creditors**

The Debtor has a number of unsecured pre-petition creditors which comprise Class 5. At the time of the bankruptcy filing, the Debtor had unsecured claims as set forth on Exhibit B attached hereto. Based upon the Debtor’s analysis of the claims, it is expected that the total amount of the allowed unsecured claims will be \$433,671.15.

**D. Executory Contracts and Unexpired Leases**

On the Effective Date of the Plan, the Debtor will assume those executory contracts and unexpired leases, which have not been assumed by Order of the Court prior to the Confirmation Date, as set forth in the Plan. On the date of the entry of an Order confirming the Plan, Debtor shall be the holder of any and all right, title, and interest to the assumed leases and contracts, and as a result, such assumed leases and contracts shall be in full force and effect and shall be binding upon Debtor and the other parties thereto. Confirmation of the Plan shall constitute a determination that the payments to be made to said creditors pursuant to the Plan satisfy all conditions precedent to assumption and assignment set forth in 11 U.S.C. §§ 365(b) and (f).

As to any rejection of the leases and executory contracts, on the Effective Date of the Plan, the Debtor will reject the executory contracts and unexpired leases to which it is a party listed in the Plan, which have not been rejected by Order of the Court prior to the Confirmation Date. Executory contracts and unexpired leases will be rejected pursuant to the provisions of 11 U.S.C. § 365.

Any executory contract or unexpired lease not assumed in accordance with the Plan shall

be rejected. All proofs of claim with respect to claims arising from the rejection of any executory contract or unexpired lease shall be filed with the Court within twenty (20) days after the earlier of: (i) the date of the Court order approving the Debtor's rejection of such executory contract or unexpired lease; or (ii) the Confirmation Date. Any claims not filed within such time shall be forever barred against the Debtor, its estate, and property, and as a result, any such Claims shall be disallowed in full. Claims arising from such rejection, to the extent Allowed, shall be treated as non-priority unsecured Claims.

On its Schedules G, the Debtor listed an unexpired lease between the Debtor and Big B, LLC ("Big B") for the Debtor's facilities located at 4625 Colorado Boulevard, Denver, Colorado ("Property"). Pre-petition, the Colorado Department of Transportation ("CDOT") contracted with Big B for the purchase of the Property through eminent domain in order to effectuate the planned expansion of Highway I-70. The Debtor did not file a Motion to Assume its non-residential real property, and as a result, the lease terminated 120 days after the Petition Date pursuant to 11 U.S.C. § 365(d)(4)(A). The Debtor has continued to occupy the Property on a month-to-month basis with the consent of Big B. Any damages arising from the early termination of the lease have been paid to Big B by CDOT through the eminent domain purchase of the Property. The Debtor is required to relocate its facilities no later than January 31, 2017, and intends to lease another space in or around the Denver Metro Area. As of the date of the filing of this Disclosure Statement, the Debtor has not entered into a new lease.

To the extent any of the Debtor's customer/client contracts or insurance policies constitute unexpired executory contracts, the Debtor intends to assume all of its customer/client contracts. There will be no cost to the estate to assume any contract or lease in this case.

## **VI. DESCRIPTION OF THE PLAN**

### **A. General Description**

The Debtor filed its Plan of Reorganization on December 6, 2017. The Plan provides for the reorganization of the Debtor under Chapter 11 of the Bankruptcy Code. Pursuant to the Plan, the Debtor shall restructure its debts and obligations and Endless Sales shall continue to operate in the ordinary course of business.

The Plan provides for the specification and treatment of all creditors and interest holders of the Debtor. The Plan identifies whether each Class is impaired or unimpaired. A Class is

unimpaired only if the Plan leaves unaltered the legal, equitable, or contractual obligations between the Debtor and the unimpaired claimants or Interest holders. The following is a brief summary of the Plan. The actual text of the Plan should be reviewed for more specific detail. In the event of any conflict between the Plan and this Disclosure Statement, the terms of the Plan govern.

As provided in Section 1123(a)(1) of the Bankruptcy Code, the Priority Administrative and Tax Claims against the Debtor are not designated as classes. The holders of such Allowed Claims are not entitled to vote on the Plan and such claims will be paid in full. The Plan divides the creditors into separate classes. The classes are set forth as follows:

Class 1 - All Allowed Unsecured Claims specified in Section 507(a)(4) and 507(a)(5) of the Code as having priority.

Class 2– The Allowed Secured Claims held by the BBVA Compass Bank, NA (“Compass”) based on the following:

Class 2A – Promissory Note in the original principal amount of \$200,000 secured by certain equipment owned by the Debtor.

Class 2B – Secured line of credit in the original principal amount of \$300,000 secured by certain equipment owed by the Debtor.

Class 2C – Promissory Note in the original principal amount of \$500,000, secured by the Debtor’s inventory, equipment, and accounts.

Class 3 – The Allowed Secured Claim held by BMO Harris Bank secured by a 2015 Freightliner Century-Series and a 2015 LCG 28’ Flatbed Trailer.

Class 4 – The Allowed Secured Claim held by U.S. Bank, N.A. d/b/a U.S. Bank Equipment Finance secured by a Garomat G90 Skin Cabin Spray Booth.

Class 5 – The Allowed Claims held by unsecured creditors.

Class 6 – The Interests in the Debtor.

## **B. Claims**

### **1. Unclassified Priority Claims**

#### **a. Administrative Claims**

The holders of Allowed Claims of the type specified in Section 507(a)(2) of the Bankruptcy Code, Administrative Claims, shall receive cash equal to the Allowed amount of such Claim or a lesser amount or different treatment as may be acceptable and agreed to by



particular holders of such Claims. Such Claims shall be paid in full on the Effective Date of the Plan, or as otherwise agreed to by the particular holders of such Claims. Section 507(a)(2) Administrative Claims that are allowed by the Court after the Effective Date of the Plan shall be paid upon allowance.

All Administrative claims of professionals are subject to Court approval on notice to creditors with an opportunity for a hearing. Certain professional fees may be paid pursuant to interim fee applications and upon Court allowance. The professional fees set forth above and below are the total fees expected to remain in the case as of the estimated Confirmation Date of the Plan, assuming minimal litigation over the Plan, and the payments that have been made during the case through retainers or otherwise.

The Debtor anticipates that the only Administrative Claims in this case will be the claim of the Debtor's Bankruptcy Counsel, Kutner Brinen, P.C., and the Debtor's Special Counsel, Hampton & Pigott, LLP. The Debtor provided KB a retainer in the amount of \$13,349, which was approved by the Court on March 13, 2017, and has received post-petition payments in the amount of \$17,985 in accordance with the Order Regarding Advance Payment of Interim Compensation to Professionals. For the period of February 13, 2017 (Petition Date) through December 4, 2017, KB has incurred approximately \$33,986.50 in attorney fees and \$2,865.46 in costs on behalf of the Debtor. KB estimates that the total legal fees and costs for KB due from the Debtor will increase by approximately an additional \$5,000 as of the estimated date on which the Plan will become effective. The Debtor anticipates that the total amount that will be owed to KB on the Effective Date of the Plan will be approximately \$9,000.

The Debtor submitted an Application for Interim Allowance and Payment of Attorney Fees and Reimbursement of Costs for Hampton & Pigott, LLP on October 6, 2017 which requested \$9,340.00 in fees and \$230.00 in costs from April 10, 2017 through August 31, 2017, which fees and costs were approved by the Court on November 1, 2017. KB estimates that the Special Counsel's fees will increase \$3,000 through the Effective Date based on legal services provided to the Debtor.

## **2. Tax Claims**

Tax Claims are any Claim of a governmental unit for taxes entitled to priority pursuant to 11 U.S.C. § 507(a)(8). The IRS has an unsecured priority claim in the amount of \$1,465.00 for unpaid taxes that accrued on a pre-petition basis. These taxes will be paid in full on the Effective



Date of the Plan.

### 3. Classified Priority Claims

**a. Class 1 Priority Claims.** Allowed Class 1 Priority Claims shall be paid in full on the Effective Date. The Class 1 claims for certain pre-petition wages and employee Claims are more particularly described in Sections 507(a)(4) and 507(a)(5) of the Code. As set forth above, the Debtor does not believe any Class 1 Claims exist.

### 3. Secured Claims

**a. BBVA Compass (Classes 2A, 2B, and 2C).** The Class 2A, 2B, and 2C Claims (collectively the “Class 2 Claims”) are impaired by the Plan. The Class 2 Claims shall retain their liens on the Debtor’s assets and shall be allowed in the amount owed on account of the Class 2 Claims on the Confirmation Date, including reasonable fees and interest. The Class 2 Claims shall bear interest at a rate of 6% per annum, or, if Compass objects, an amount otherwise agreed to by the Debtor and Compass or set by the Court. The Class 2 Claims shall be amortized and paid over five (5) years in equal monthly installments of principal and interest. The Debtor shall have the ability to pre-pay the Class 2 Claims at any time during the term of the Plan. The Debtor shall also have the right to make one payment on account of the Class 2 Claims, which payments will be applied pro rata across the Class 2A, 2B, and 2C Claims.

The Debtor anticipates that the total amount due on the Confirmation Date will be approximately \$602,278.04. The monthly payment on account of the Class 2 Claims will be approximately \$11,643.72, which will be attributed as follows:

Class	Percentage of Total Claims	Amount Attributed on Monthly Basis
2A	16.37%	\$1,906.43
2B	46.45%	\$5,408.58
2C	37.18%	\$4,328.71
<b>Total</b>	100%	\$11,643.72

**b. BMO Harris Bank N.A. (Class 3).** The Class 3 Claim is impaired under the Plan. On the Effective Date, the Class 3 Claim shall retain its lien on the Debtor’s 2015 Freightliner Century- Series and 2015 LCG 28’ Flatbed Trailer. The Class 3 Claim shall be allowed in the amount of \$72,000, or, if BMO objects, an amount determined by the Court or otherwise agreed to by the Debtor and BMO. The Class 3 Claim shall bear interest at a rate of

8% per annum, or, if BMO objects, a rate set by the Court or otherwise agreed to be the Debtor and BMO. The Class 4 Claim shall be amortized and paid over five (5) years in equal monthly installments of principal and interest. Any amounts owed to BMO that are determined to be unsecured shall be treated as a Class 5 general unsecured claim.

Assuming that the Class 3 Claim is allowed in the amount of \$72,000, the monthly payment under the Plan will be approximately \$1,459.90, and BMO will have a Class 5 general unsecured claim in the amount of \$66,139.22.

**c. U.S. Bank, N.A., d/b/a U.S. Bank Equipment Finance (“U.S. Bank”) (Class 4).** The Class 4 Claim is impaired by the Plan. On the Effective Date, the Class 4 Claim shall retain its lien on the Debtor’s Garmat G90 Skin Cabin Spray Booth. The Class 4 Claim shall be allowed in the amount of \$25,000, or, if U.S. Bank objects, an amount set by the Court or otherwise agreed to by the Debtor and U.S. Bank. The Class 4 Claim shall bear interest at a rate of 6% per annum, or, if U.S. Bank objects, a rate set by the Court or otherwise agreed to by the Debtor and U.S. Bank. The Class 4 Claim shall be amortized and paid over three (3) years in equal monthly installments of principal and interest. Any remaining amounts owed to U.S. Bank that are determined to be unsecured shall be treated as a Class 5 general unsecured claim.

Assuming that the Class 4 Claim is allowed in the amount of \$25,000, the total monthly payments under the Plan will be approximately \$760.55, and U.S. Bank will have a Class 5 general unsecured claim in the amount of \$37,631.40.

#### **4. General Unsecured Claims**

The Class 5 claimants shall receive a pro-rata distribution equal to 1.5% of the Debtor’s Gross Revenue generated over the five year period commencing on the Effective Date of the Plan less the amount necessary to pay any Unclassified Priority Claimant who agrees to accept deferred payment of its claim until Class 5 Claims are paid in full with interest at a rate of 2% per annum. Commencing on the first full month following the Confirmation Date, the Debtor shall at the conclusion of each month, set aside in a segregated account, an amount equal to 1.5% of the preceding month’s Gross Revenue. Each time three months payments have been set aside, the Debtor shall make any payment due to Unclassified Priority Claimants and then the Class 5 creditors will be paid on a pro-rata basis. **The Debtor is required to distribute a minimum of \$92,400 per year to Class 5 Claimants.**

Class 5 claims shall also receive a pro-rata distribution of half of the net proceeds of any Avoidance Action that the Debtor pursues. As stated previously, the Debtor does not believe that it has any valid claims for Avoidance Actions.

The Debtor has prepared projections, attached hereto as Exhibit C, which provide a conservative prediction of the Debtor's operations over the term of the Plan. The Debtor anticipates distributions in the amount of \$96,286.04 in the first year, \$101,100.34 in the second year, \$103,026.06 in the third year, \$104,951.78 the fourth year, and \$106,877.50 in the fifth year. Based on total unsecured claims in the amount of \$433,671.15, the Class 5 Claims will be paid in full during year five (5) of the Plan.

**D. Post-Confirmation Management and Compensation of Managers**

After confirmation of the Debtor's Plan, Firkins will continue as the President and CEO of Endless Sales. Firkins founded Endless Sales in 2008, and has been the CEO since that time. Prior to founding Endless Sales, Firkins was engaged in business as a salesman of new and used forklifts and equipment. In 2008, he saw a market need for lower priced forklifts, as well as the need to incorporate the use of technology in generating sales. Using his prior experience, Firkins created a market for refurbished forklifts, as well as designing a new line of exclusive forklifts under the OCTANE Forklift brand name.

As CEO of Endless Sales, Firkins will receive a salary in the amount of \$100,000 per year, in addition to certain benefits including use of a company car and insurance. Endless Sales' Vice President of operations, Vanessa Garcia, will receive a salary in the amount of \$56,600 per year. Endless Sales' Vice President of Octane Forklifts, J.R. Antczak, will receive a salary in the amount of \$48,000 per year.

**E. Default Provisions Under the Plan**

In the event of a default by the Debtor under the Plan, creditors shall be entitled to enforce all rights and remedies against the Debtor for breach of contract, the Plan. Any secured creditor claiming a breach of the Plan by the Debtors will be able to enforce all of their rights and remedies including foreclosure of their deed of trust, security agreement, lien, or mortgage pursuant to the terms of such document. Any creditor claiming a breach by the Debtor must provide written notice to the Debtor of the claimed default, the notice must provide the Debtor a thirty (30) day period within which to cure the claimed default, unless a longer period is specified elsewhere in the

Plan. Upon the Debtor's failure to cure the default within such thirty (30) day period, the creditor may proceed to exercise their rights and remedies.

#### **F. Post-Confirmation Reports**

The Debtor shall continue to prepare and file all required reports under the United States Trustee Operating Guidelines and Reporting Requirements through such time as the Debtor's case is closed. At any time after confirmation of the Debtor's Plan, creditors may request additional information, including information regarding the Debtor's post-confirmation income and calculations of distributions to creditors, by sending a written request to the Debtor with a copy to counsel for the Debtor.

### **VIII. PLAN FEASIBILITY**

The Debtor believes that the Plan, as proposed, is feasible. Approval of the Plan will allow the Debtor to restructure its secured loans and pay creditors in full over the five-year term of the Plan. The feasibility of the Debtor's Plan is supported by its post-petition operations. Since the Petition Date, the Debtor has consistently generated a net profit and has continued to expand its operations while maintaining payments to Compass and BMO. A summary of the Debtor's post-petition income is reflected below:

<u><b>Month</b></u>	<u><b>Gross Income</b></u>	<u><b>Expenses</b></u>	<u><b>Net Income</b></u>
February 2017	\$213,740.15	\$79,097.38	\$134,648.77
March 2017	\$349,651.43	\$460,513.11	(\$110,861.68) <sup>1</sup>
April 2017	\$600,517.56	\$422,122.30	\$178,395.26
May 2017	\$631,075.45	\$413,650.43	\$217,425.02
June 2017	\$544,923.17	\$238,261.19	\$306,661.98
July 2017	\$478,877.62	\$205,943.96	\$272,933.66
August 2017	\$538,978.95	\$174,454.60	\$364,524.05
September 2017	\$541,957.74	\$495,181.52	\$46,776.22
October 2017	\$673,777.21	\$588,633.71	\$85,143.50

The Disclosure Statement contains statements which look into the future. There is no way to determine the accuracy of these statements. The Debtor has attempted to be conservative

<sup>1</sup> Expenses in this month include repayment of the post-petition loan from Firkins.

in its analysis and believes that the Plan as proposed offers the best option for creditors. The principal alternative to the Debtor's reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. As set forth more fully below, the Debtor's Plan provides a better alternative to creditors than conversion to a Chapter 7.

## IX. TAX CONSEQUENCE

The Debtor is not providing tax advice to creditors or interest holders. **U.S. Treasury Regulations require you to be informed that, to the extent this section includes any tax advice, it is not intended or written by Debtor or its counsel to be used, and cannot be used, for the purpose of avoiding federal tax penalties.** Each party affected by the Plan should consult its own tax advisor for information as to the tax consequences of Plan confirmation. Generally, unsecured creditors should have no tax liabilities as a result of Plan confirmation. The recovery of each creditor is payment on account of a debt and generally not taxable, unless the creditor wrote off the debt against income in a prior year in which case income may have to be recognized. Interest holders may have very complicated tax effects as a result of Plan confirmation.

## X. LIQUIDATION ANALYSIS UNDER CHAPTER 7

The principal alternative to a debtor's reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. Chapter 7 requires the liquidation of the debtor's assets by a Trustee who is appointed by the United States Trustee's office. In a Chapter 7 case, the Chapter 7 Trustee would take over control of the debtor's assets and would get a percentage of the distributions from the estate pursuant to 11 U.S.C. § 326, subject to a finding that such compensation is reasonable by the Bankruptcy Court. In addition, the Chapter 7 Trustee would likely hire professionals to aide in the administration of the estate. The Chapter 7 administrative expenses, in addition to any Chapter 11 administrative expenses, would be paid prior to the distribution to the unsecured creditor.

In this case, in a Chapter 7, Compass would seek relief from stay in order to foreclose on the assets securing its liens. The Chapter 7 Trustee would then liquidate the rest of the Debtor's assets. The Debtor's inventory would likely receive less at auction than through the retail sales of the Debtor's assets, somewhat reducing the return to creditors. While creditors would likely get paid in full in a Chapter 7, the value of the Debtor as a going concern would be lost. In

contrast, the Debtor's Plan will pay unsecured creditors in full with 2% interest, while maintaining the going concern value of the Debtor's operations.

Dated: December 6, 2017

ENDLESS SALES, INC.

By: /s/ Brian Firkins  
Brian Firkins, Chief Executive Officer

Kutner Brinen, P.C. ("KB") has acted as legal counsel to Endless Sales, Inc. on bankruptcy matters during the Chapter 11 case. KB has prepared this Disclosure Statement with information provided primarily by the Debtor. The information contained herein has been approved by the Debtor. KB has not made any independent investigation as to the veracity or accuracy of the statements contained herein.

KUTNER BRINEN, P.C.

By: /s/ Keri L. Riley

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Keri L. Riley  
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**EXHIBITS TO DISCLOSURE STATEMENT**

- Exhibit A: Plan of Reorganization Dated December 6, 2017
- Exhibit B: List of Class 5 Claims
- Exhibit C: Projections
- Exhibit D: Excerpts from August 2017-October 2017 Monthly Operating Reports
- Exhibit E: Liquidation Analysis

Exhibit A



UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF COLORADO

IN RE:	)	
	)	Case No. 17-11037-EEB
ENDLESS SALES, INC.	)	
d/b/a DISCOUNT FORKLIFT BROKERS	)	Chapter 11
Debtor.	)	
	)	
	)	
	)	
Employer's Tax Identification No.:	)	
26-2964586	)	

**PLAN OF REORGANIZATION  
DATED DECEMBER 6, 2017**

Endless Sales, Inc. d/b/a Discount Forklift Brokers ("Debtor"), Debtor and Debtor-in-Possession, hereby proposes the following Plan of Reorganization pursuant to Chapter 11, Title 11 of the United States Code.

**ARTICLE I  
INTRODUCTION**

The Debtor is a Colorado corporation engaged in business in direct sales of forklifts, and specializes in purchasing, refurbishing, and reselling used forklifts, as well as manufacturing and selling its own line of forklifts under the trade name "Octane Forklifts." Additional information about the Debtor and its operations can be found at <http://discountforkliftbrokers.com/>. The Debtor's main offices are located at 4625 Colorado Boulevard, Denver, Colorado. Brian Firkins ("Firkins") is the 100% owner of the Debtor, and is the CEO of the Debtor and manages the Debtor's day-to-day affairs.

This Plan provides for the reorganization of the Debtor under Chapter 11 of the Bankruptcy Code. Pursuant to the Plan, the Debtor shall restructure its debts and obligations and continue to operate in the ordinary course of business. A more complete history of the Debtor, its operations, an explanation of this Plan, and a description of the Debtor's financial condition and future business activity is contained

in the Disclosure Statement which accompanies this Plan. Reference should be made to the Disclosure Statement by all creditors and parties who intend to cast a ballot for or against this Plan.

## **ARTICLE II**

### **DEFINITIONS**

2.01 - Administrative Claim shall mean a Claim for payment of an administrative expense of a kind specified in § 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority pursuant to § 507(a)(2) of the Bankruptcy Code, including, but not limited to: (a) the actual, necessary costs and expenses, incurred after the Petition Date, of preserving the estate and operating the business of the Debtors, including wages, salaries, or commissions for services rendered after the commencement of the Chapter 11 Case; (b) Professional Fee Claims; (c) all fees and charges assessed against the estates under 28 U.S.C. § 1930; and (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under § 546(c)(2) of the Bankruptcy Code.

2.02 - Allowed Claim shall mean a claim in respect of which a Proof of Claim has been filed with the Court within the applicable time period of limitation fixed by Court Order in this case or scheduled in the list of creditors prepared and filed with the Court pursuant to Bankruptcy Rule 1007(b) and not listed as disputed, contingent or unliquidated as to amount, in either case as to which no timely objection to the allowance thereof has been filed pursuant to Bankruptcy Rules 3001 and 3007 or as to which any such objection has been determined by a Final Order.

2.03 - Allowed Secured Claim shall mean an allowed claim secured by a lien, security interest or other charge against or interest in property in which the Debtor has an interest, or which is subject to setoff under § 553 of the Code, to the extent of the value (determined in accordance with § 506(a) of the Code) of the interest of the holder of any such allowed claim and the Debtor's interest in such property or to the extent of the amount subject to such setoff as the case may be.

2.04 - Avoidance Actions means the Debtor's estate's interest in any and all Claims, rights and causes of action which have been or may be commenced by or on

behalf of the Debtors to avoid and recover any transfers of property determined to be preferential, fraudulent or otherwise avoidable pursuant to §§ 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code, or under any other applicable law, or otherwise subject to equitable subordination under §510 of the Bankruptcy Code, regardless of whether or not such actions have been commenced prior to the Effective Date.

2.05 - Claim shall mean any right to payment, or right to any equitable remedy for breach of performance if such breach gives rise to the right to payment, against the Debtors in existence on or as of the Petition Date, whether or not such right to payment or right to an equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, secured or unsecured.

2.06 - Class shall mean any Class into which Allowed Claims are classified pursuant to Article III.

2.07- Class 1-6 Claims and Interests shall mean the Allowed Claims and Interests so classified in Article III.

2.08 - Code shall mean the Bankruptcy Code, 11 U.S.C. § 101 *et seq.* and any amendments thereof.

2.09 - Confirmation Date shall mean the date upon which the Order of Confirmation is entered by the Court.

2.10 - Court shall mean the United States Bankruptcy Court for the District of Colorado in which the Debtors' respective Chapter 11 cases are pending, pursuant to which this Plan is proposed, and any Court having competent jurisdiction to hear appeal or certiorari proceedings therefrom.

2.11 - Debtor shall mean the Debtor who is proposing this Chapter 11 Plan.

2.12 - Disclosure Statement shall mean the Disclosure Statement which is approved by the Court according to 11 U.S.C. § 1125 to be utilized to solicit votes for this Plan.

2.13 - Disputed Claim means any Claim which is not an Allowed Claim, including, without limitation, any Claim designated as disputed, contingent or unliquidated in Debtor's schedules filed in connection with this case, or any Claim against which an objection to the allowance thereof has been interposed, and as to which no Final Order has been entered.

2.14 - Effective Date of the Plan shall mean the date on which the Order of Confirmation is entered and becomes final, or if a stay is entered pending appeal of the Order of Confirmation, the date on which the stay is no longer in effect.

2.15 - Final Order shall mean an order or judgment of the Court which shall not have been reversed, stayed, modified or amended and as to which (a) the time to appeal from or to seek review, rehearing or certiorari shall have expired, and (b) no appeal or petition for review, rehearing or certiorari is pending or if appealed shall have been affirmed, or the appeal dismissed by the highest court to which such order was appealed, or if review, rehearing or certiorari was sought, such review, rehearing or certiorari has been denied and no further hearing, appeal or petition for review, rehearing or certiorari can be taken or granted or as to which any right to appeal or to seek a review, rehearing or certiorari has been waived.

2.16 - Gross Revenue shall mean the gross revenue actually received by the Debtor from the operation of its business, less sales and other taxes collected.

2.17 - Interest shall mean any member or shareholder interest or any other instrument evidencing any ownership interest in the Debtors and any option, warrant or right of any nature, contractual or otherwise, to acquire a member or other ownership interest in the Debtors existing as of the Petition Date.

2.18 - Order of Confirmation shall mean the Order entered by the Court confirming the Plan in accordance with the provisions of Chapter 11 of the Code.

2.19 - Petition Date shall mean the date on which the voluntary petitions were filed by the Debtors on February 13, 2017.

2.20 - Plan shall mean this Plan of Reorganization, as amended in accordance with the terms hereof or modified in accordance with the Code, including all exhibits and schedules attached hereto or referenced herein or therein.

2.21 - Priority Claim means any pre-petition Claim entitled to a priority in payment under § 507(a) of the Code, but shall not include any Administrative Claim or Tax Claim.

2.22 - Pro Rata shall mean the ratio of an Allowed Claim or Interest in a particular Class to the aggregate amount of all Allowed Claims or Interests in that Class.

2.23 - Professional Fees means the Administrative Claims for compensation and reimbursement submitted pursuant to Section 330, 331 and 503(b) of the Code by a Professional Person.

2.24 - Rules shall mean the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rules for the District of Colorado as adopted by the Court.

2.25 - Tax Claim means any unsecured Claim of a governmental unit for taxes entitled to priority pursuant to 11 U.S.C. § 507(a)(8).

2.26 - Unclassified Priority Claims shall mean Claims pursuant to Section 507(a)(2) which are Administrative Claims allowed under Section 503(b) of the Code and any fees and charges against the estate under Chapter 123 of Title 28 of the United States Code and shall further mean Allowed Unsecured Claims of governmental units to the extent provided for in Section 507(a)(8) of the Code.

2.27 - Other Definitions. Unless the context otherwise requires, any capitalized term used and not defined herein or elsewhere in the Plan but that is defined in the Code or Rules shall have the meaning set forth therein.

### **ARTICLE III**

#### **DESIGNATION OF CLAIMS AND INTERESTS**

The following is a designation of all classes of Claims and Interests other than those Claims of a kind specified in Sections 507(a)(2), 507(a)(3) or 507(a)(8) of the Code.

Class 1 - All Allowed Unsecured Claims specified in Section 507(a)(4) and 507(a)(5) of the Code as having priority.

Class 2– The Allowed Secured Claims held by the BBVA Compass Bank, NA (“Compass”) based on the following:

Class 2A – Promissory Note in the original principal amount of \$200,000 secured by certain equipment owned by the Debtor.

Class 2B – Secured line of credit in the original principal amount of \$300,000 secured by certain equipment owed by the Debtor.

Class 2C – Promissory Note in the original principal amount of \$500,000, secured by the Debtor’s inventory, equipment, and accounts.

Class 3 – The Allowed Secured Claim held by BMO Harris Bank secured by a 2015 Freightliner Century-Series and a 2015 LCG 28’ Flatbed Trailer.

Class 4 – The Allowed Secured Claim held by U.S. Bank, N.A. d/b/a U.S. Bank Equipment Finance secured by a Garinat G90 Skin Cabin Spray Booth.

Class 5 – The Allowed Claims held by unsecured creditors.

Class 6 – The Interests in the Debtor.

#### **ARTICLE IV**

##### **SPECIFICATION AND TREATMENT OF UNCLASSIFIED PRIORITY CLAIMS**

As provided in Section 1123(a)(1) of the Code, the Claims against the Debtor covered in this Article IV are not classified. The holders of such Allowed Claims are not entitled to vote on the Plan.

4.1 - The holders of Allowed Claims of the type specified in Section 507(a)(2) of the Code, Administrative Claims, shall receive cash equal to the allowed amount of such Claim or a lesser amount or different treatment as may be acceptable and agreed to by particular holders of such Claims. Such Claims shall be paid in full on the Effective Date of the Plan, or treated as otherwise agreed to by the particular holders of such Claims. Section 507(a)(2) Administrative Claims that are allowed by the Court after the Effective Date of the Plan shall be paid upon allowance or as otherwise agreed.

4.2 - The Allowed Claims of a type specified in Section 507(a)(8) of the Code, Tax Claims of governmental taxing authorities, shall be paid on the Effective Date of the Plan or in monthly payments for a period that does not exceed five years from the Petition Date with interest at the appropriate rate set by applicable statute. The Debtor shall have the option to accelerate payments without penalty. The first monthly payment shall be due on the last day of the first full month following the Effective Dates.

4.3 - The Debtor will make all payments required to be paid to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) until the case is closed, converted, or dismissed. All payments due to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) shall be paid on

the Effective Date, and the U.S. Trustee shall thereafter be paid fees due on a quarterly basis until the case is closed, converted, or dismissed.

## **ARTICLE V SPECIFICATION AND TREATMENT OF CLASS 1 CLAIMS**

5.1 - Allowed Class 1 Claims shall be paid in full on the Effective Date. The Class 1 Claims for certain pre-petition wages and employee Claims are more particularly described in Sections 507(a)(4) and 507(a)(5) of the Code. The Debtor does not expect that any claims will exist in these Classes.

## **ARTICLE VI SPECIFICATION AND TREATMENT OF SECURED CREDITOR CLAIMS**

6.1 – **Class 2, BBVA Compass Bank, NA.** The Class 2A, 2B, and 2C Allowed Secured Claims (collectively, the “Class 2 Claims”) consist of the secured claims held by BBVA Compass Bank, and secured by a lien on substantially all of the Debtor’s assets. The Class 2 Claims are impaired by this Plan. The Class 2 Claims shall be treated and paid as follows:

(a) The principal amount of each of the Class 2 Claims shall be allowed in an amount equal to either: (i) the amount owed to the Class 2 claimant on the Confirmation Date, including reasonable fees and interest; or, if the Class 2 claimant objects, (ii) an amount fixed by the Court on the Confirmation Date.

(b) The Class 2 Claims shall each bear interest at the rate of: (i) 6% per annum commencing on the Effective Date of the Plan; or if the Class 2 claimant objects, (ii) at a rate to be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class 2 claimant.

(c) The Class 2 claimant’s liens that secure its claims as of the Effective Date of the Plan shall continue to secure its claims until the Class 2 Claims are paid in accordance with this Plan.

(d) The Class 2 Claims shall be amortized and paid over five (5) years in equal monthly installments of principal and interest.

(e) The Debtor shall be entitled to make one payment to the Class 2 claimant on account of all Class 2 Claims. Each payment will be applied pro rata across the Class 2A, 2B, and 2C Claims.

(f) The Debtor shall have the right to pre-pay the Class 2 Claims at any time during the term of the Plan without penalty.

**6.2 – Class 3, BMO Harris Bank.** The Class 3 Secured Claim consists of the Allowed Secured Claim held by BMO Harris Bank secured by a lien on the Debtor's 2015 Freightliner Century-Series and a 2015 LCG 28' Flatbed Trailer. The Class 3 Secured Claim is impaired by this Plan. The holder of the Class 3 Allowed Secured Claim shall be treated and paid as follows:

(a) The principal amount of each of the Class 3 Claim shall be allowed in an amount of: (i) \$72,000, or, if the Class 3 claimant objects, (ii) an amount agreed to by the Debtor and the Class 3 claimant, or (iii) an amount fixed by the Court on the Confirmation Date.

(b) The Class 3 Claims shall each bear interest at the rate of: (i) 8% per annum commencing on the Effective Date of the Plan; or if the Class 3 claimant objects, (ii) at a rate to be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class 3 claimant.

(c) The Class 3 claimant's liens that secure its claims as of the Effective Date of the Plan shall continue to secure its claims until the Class 3 Claims are paid in accordance with this Plan.

(d) The Class 3 Claim shall be amortized and paid over five (5) years in equal monthly installments.

(e) The Debtor shall have the right to pre-pay the Class 3 Claim at any time during the term of the Plan without penalty.

(f) Any amount owed to the Class 3 Claimant that is determined to be unsecured pursuant to 11 U.S.C. § 506 shall be treated as a Class 5 general unsecured claim.

**6.3 – Class 4, U.S. Bank, N.A. d/b/a U.S. Bank Equipment Finance.** The Class 4 Secured Claim consists of the Allowed Secured Claim held by U.S. Bank, N.A. d/b/a



U.S. Bank Equipment Finance secured by a lien on the Debtor's Garmat Single Skin Cabin Spray Booth. The Class 4 Secured Claim is impaired by this Plan. The holder of the Class 4 Allowed Secured Claim shall be treated and paid as follows:

(a) The principal amount of each of the Class 4 Claim shall be allowed in an amount of: (i) \$25,000, or, if the Class 4 claimant objects, (ii) an amount agreed to by the Debtor and the Class 4 claimant, or (iii) an amount fixed by the Court on the Confirmation Date.

(b) The Class 4 Claims shall each bear interest at the rate of: (i) 6% per annum commencing on the Effective Date of the Plan; or if the Class 4 claimant objects, (ii) at a rate to be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class 4 claimant.

(c) The Class 4 claimant's liens that secure its claims as of the Effective Date of the Plan shall continue to secure its claims until the Class 4 Claims are paid in accordance with this Plan.

(d) The Class 4 Claim shall be amortized and paid over three (3) years in equal monthly installments of principal and interest.

(e) The Debtor shall have the right to pre-pay the Class 4 Claim at any time during the term of the Plan without penalty.

(f) Any amount owed to the Class 4 Claimant that is determined to be unsecured pursuant to 11 U.S.C. § 506 shall be treated as a Class 5 general unsecured claim.

## **ARTICLE VII**

### **SPECIFICATION AND TREATMENT OF UNSECURED CREDITOR CLAIMS**

7.1 – Class 5 consists of those unsecured creditors of the Debtor who hold Allowed Claims. Class 5 claimants shall receive a pro-rata distribution equal to 1.5% of the Debtor's Gross Revenue until Class 5 claims are paid in full with interest at a rate of 2% per annum, commencing on the Effective Date of the Plan ("Class 5 Distribution"). Commencing on the first full month following the Confirmation Date,

the Debtor shall at the conclusion of each month, set aside in a segregated account, an amount equal to 1.5% of the preceding month's Gross Revenue. Each time three months payments have been set aside, the Debtor shall make the Class 5 Distribution to Class 5 creditors on a pro-rata basis. In no event shall annual distributions to Class 5 creditors amount to less than \$92,400.

a. At any time following the Effective Date of the Plan, the Debtor may buy out or prepay the Class 5 claims by paying the remaining principal balance due on each Class 5 claim. Once the pre-payment is made, no further payments shall be due to the Class 5 claimant.

7.2 - In addition to the distribution set forth above, Class 5 shall be entitled to receive the proceeds whether obtained by litigation or settlement, net of attorney fees, expert fees, costs, obtained from any action undertaken by the Debtor to collect Avoidance Actions and net of any unpaid Unclassified Priority Claims.

## **ARTICLE VIII**

### **SPECIFICATION AND TREATMENT OF CLASS 6 INTERESTS**

8.1 - Class 6 includes the Interests in the Debtor held by the pre-confirmation interest holders. Class 6 is unimpaired by this Plan. On the Effective Date of the Plan Class 6 shall retain its Interests in the Debtor which they owned prior to the Confirmation Date, subject to the terms of the Plan.

## **ARTICLE IX**

### **MEANS FOR THE PLAN'S EXECUTION**

9.1 - **Operation of Business.** The Debtor shall be empowered to take such action as may be necessary to perform its obligations under this Plan.

9.2 - **Management Fees and Costs.** The Debtor shall be entitled to compensate its officers and directors with reasonable compensation for services following confirmation of the Plan. Funding for such fees will be derived from the operation of the Debtor's business.

**9.3- Effectuating the Plan.** On the Effective Date of the Plan, Firkins shall be appointed as the agent of the Debtor, pursuant to appropriate corporate law, pursuant to 11 U.S.C. §1142(b) for the purpose of carrying out the terms of the Plan, and taking all actions deemed necessary or convenient to consummating the terms of the Plan, including but not limited to execution of documents.

**9.4 - Disputed Claim Procedure.** Distributions to any class of creditor will only be made on account of Allowed Claims. In the event that distributions are made at a time that a claim objection is pending before the Court or a judgment has entered to establish a Claim and the judgment is not subject to a Final Order, the portion of the distribution that would be paid to the disputed claimant will be held in an interest bearing bank account until the Claim is Allowed or disallowed. If Allowed, the Claim will be paid its appropriate share of the withheld payment. If disallowed, the withheld distribution will be paid on a Pro Rata basis to the remaining impaired Allowed claimants, or if all holders of Allowed Claims have been paid in full, paid to Debtors.

**9.5 - Claims and Litigation Bar Date and Standing.** All Claim objections and Avoidance Actions in the case must be filed no later than 90 days following the Effective Date. The Debtor shall have standing to commence, prosecute, and settle claim objections, Litigation, and avoidance actions without need for Court approval.

**9.6 - Administrative Expense Bar Date.** All applications for allowance and payment of Administrative Claims, including Professional Fees, must be filed within 45 days following the Effective Date of the Plan.

**9.7 - Monthly Installments.** Whenever the Plan provides for payment in monthly installments or a payment due in a certain month, the payment shall be due on the last day of the calendar month in which the payment is due, unless otherwise specified in the Plan. The Debtor shall then have a fifteen (15) day grace period within which the monthly payment must be received by the payee before the Debtors shall be in default, unless a longer period is specified elsewhere in the Plan.

**9.8 - Final Decree.** The Debtor will request entry of a final decree closing the case on or before the later of the date all Claim objections and any pending litigation is concluded or 180 days after the Effective Date of the Plan.

**9.9 - Quarterly Fees.** Prior to the entry of the final decree, the Debtor shall continue to remit quarterly fees and post-confirmation reports to the United States Trustee, as required by statute.

**9.10 - Exemption from Transfer Taxes.** Pursuant to Section 1146(c) of the Code, the issuance, transfer, or exchange of notes or equity securities under the Plan by the Debtor, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or the making or delivery of any deed or instrument of transfer under, in furtherance of, or in connection with the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

**9.11 – Contractual Relationship.** The Plan, upon confirmation, constitutes a new contractual relationship by and between the Debtor and its creditors. In the event of a default by the Debtor under the Plan, creditors shall be entitled to enforce all rights and remedies against the Debtor for breach of contract, the Plan. Any secured creditor claiming a breach of the Plan by the Debtors will be able to enforce all of their rights and remedies including foreclosure of their deed of trust, security agreement, lien, or mortgage pursuant to the terms of such document. Any creditor claiming a breach by the Debtor must provide written notice to the Debtor of the claimed default, the notice must provide the Debtor a thirty (30) day period within which to cure the claimed default, unless a longer period is specified elsewhere in the Plan. Upon the Debtor's failure to cure the default within such thirty (30) day period, the creditor may proceed to exercise their rights and remedies.

**9.12 – Independent Provisions.** Should it be determined by the Court that any provision of the Plan is impermissible or grounds for the denial of confirmation, the Debtor shall have the right, but not the obligation, to delete the impermissible provision and proceed with confirmation of the Plan provided that deletion of the offensive provision would result in a confirmable Plan.

**9.13 - Avoidance Actions.** The Debtor has authority post-confirmation to pursue all Avoidance Actions for the benefit of creditors and the enhancement of distributions under the terms of the Plan. The Debtor shall have sole authority to determine whether to pursue through litigation or settle any avoidance action. Any settlement shall require notice to creditors and opportunity for a hearing. The Debtor may retain counsel to

recover the Avoidance Actions on reasonable terms without need for Court approval of fees or costs.

9.14 – **Professional Retention Post-Confirmation.** Court approval shall not be required for either professional retention or compensation following the Effective Date of the Plan.

9.15 – **Post-Confirmation Reports.** The Debtor shall continue to prepare and file all required reports under the United States Trustee Operating Guidelines and Reporting Requirements through such time as the Debtor's case is closed. Creditors may request additional information, including information regarding the Debtor's post-confirmation income and calculations of distributions to creditors at any time by sending a written request to the Debtor with a copy to counsel for the Debtor.

## **ARTICLE X**

### **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

10.1 - On the Effective Date of the Plan, the Debtor hereby assumes those executory contracts and unexpired leases listed in Exhibit A attached hereto and incorporated herein by reference, which have not been assumed by prior Order of the Court prior to the Confirmation Date. On the date of the entry of an Order confirming the Plan, the Debtor shall be the holders of all right, title and interest to the assumed leases and contracts and such assumed leases and contracts shall be in full effect and binding upon the Debtor and the other parties thereto. Confirmation of the Plan shall constitute a determination that the payments to be made to said creditors pursuant to the Plan satisfy all conditions precedent to assumption and assignment set forth in 11 U.S.C. §365(b) and (f).

10.2 - On the Effective Date of the Plan, the Debtor will reject all executory contracts and unexpired leases to which they are a party which are listed in Exhibit B, attached hereto and incorporated herein by reference which have not been rejected by prior Order of the Bankruptcy Court prior to the Confirmation Date. Executory contracts and unexpired leases will be rejected pursuant to the provisions of 11 U.S.C. §365. Any executory contract or unexpired lease not assumed in accordance with the Plan shall be rejected.

10.3 - An Order confirming this Plan constitutes approval by the Court of the assumption or rejection of the executory contracts and unexpired leases described herein in accordance with the provisions of 11 U.S.C. §365 and the Rules.

10.4 - **Claims Arising from Rejection.** All proofs of claim with respect to claims arising from the rejection of any executory contract or unexpired lease shall be filed with the Bankruptcy Court within twenty (20) days after the earlier of (i) the date of the Bankruptcy Court order approving the Debtor's rejection of such executory contract or unexpired lease or (ii) the Confirmation Date. Any claims not filed within such time shall be forever barred against the Debtor, its estate and property and any such Claims shall be disallowed in full. Claims arising from such rejection, to the extent Allowed, shall be treated as a Class 5 Unsecured Claim.

## **ARTICLE XI**

### **MISCELLANEOUS PROVISIONS**

11.1 **Revestment.** On the Effective Date of the Plan all property of the estates shall revert in the Debtor free and clear of all liens except those specifically set forth in the Plan or as otherwise provided in the Plan.

11.2 **Retention of Jurisdiction.** Notwithstanding confirmation of the Plan, the Court shall retain jurisdiction for the following purposes:

1. Determination of the allowability of claims upon objection to such claims by the Debtor-in-Possession or by any other party in interest;
2. Determination of the request for payment of claims entitled to priority under 11 U.S.C. Section 507(a)(2), including compensation of the parties entitled thereto;
3. Resolution of any disputes regarding interpretation of the Plan;
4. Implementation of the provisions of the Plan and entry of orders in aid of consummation of the Plan, including without limitation, appropriate orders to protect the revested Debtor from action by creditors;
5. Modification of the Plan pursuant to 11 U.S.C. §1127;

6. Adjudication of any causes of action, including avoiding powers actions, brought by the Debtor-in-Possession, by the representative of the estate or by a Trustee appointed pursuant to the Code;
7. Adjudication of any cause of action brought by the Debtor-in-Possession, Creditors Committee, by a representative of the estate, or by a Trustee appointed pursuant to the Code, or the revested Debtor exercising rights and powers as provided in 11 U.S.C. §542-549. This section shall not be construed to limit any other power or right which the Debtor may possess under any section of the Code;
8. To close the case after the Plan becomes effective and reopen it when Plan payments are completed to enter the discharge order; and
9. Enter a Discharge and Final Decree

**11.3 - Satisfaction of Claims.** The Debtor shall receive a discharge on the Effective Date of the Plan pursuant to Section 1141(d). Confirmation of the Plan shall constitute a modification of any note or obligation for which specification and treatment is provided under the Plan as set forth in the Plan. Any obligation or note, previously in default, so modified, shall be cured as modified as of the Effective Date. This provision shall be operable regardless of whether the Plan provides for any obligation to be evidenced by a rewritten loan or security document following confirmation of the Plan. During the time period from the Confirmation Date through the Discharge Date, no creditor affected by the Plan shall have the right to pursue any claims, either in Bankruptcy Court or State Court, except for any remedies as a result of the Debtors' breach of the Plan. This provision neither expands nor detracts the jurisdiction of the Bankruptcy Court conferred under the Bankruptcy Code.

**11.4 Headings.** The headings used in the Plan are for convenience of reference only and shall not limit or in any manner affect the meaning or interpretation of the Plan.

**11.5 Notices.** All notices, requests, demands, or other communications required or permitted in this Plan must be given in writing to the party(ies) to be notified. All communications will be deemed delivered when received at the following addresses:

a. To:

Endless Sales, Inc.  
c/o Brian Firkins  
4625 Colorado Blvd.  
Denver, CO 80216

With a copy to:

Jeffrey S. Brinen, Esq.  
Keri L. Riley, Esq.  
Kutner Brinen, P.C.  
1660 Lincoln St., Suite 1850  
Denver, CO 80264  
Fax: 303-832-1510  
Email: [jsb@kutnerlaw.com](mailto:jsb@kutnerlaw.com)  
Email: [klr@kutnerlaw.com](mailto:klr@kutnerlaw.com)

b. To an allowed claimant, at the addresses set forth in the allowed Proof of Claim, if filed, or, at the address set forth for the claimant in the Debtors' Schedules filed with the Court.

**11.6 - Successors and Assigns.** The Plan will be binding upon the Debtor, any creditor affected by the Plan and their heirs, successors, assigns and legal representatives.

**11.7 - Unclaimed Payments.** If a person or entity entitled to receive a payment or distribution pursuant to this Plan fails to negotiate a check, accept a distribution or leave a forwarding address in the event notice cannot be provided as set forth in paragraph 11.5, within three months of the Effective Date of the Plan, the person or entity is deemed to have released and abandoned any right to payment or distribution under the Plan.

**11.8 - Committee Existence.** Any Creditors Committee appointed in the bankruptcy case shall terminate on the Effective Date of the Plan.

## **ARTICLE XII**

### **CONFIRMATION REQUEST**



12.1 - The Debtor, as proponent of the Plan, requests confirmation of the Plan pursuant to 11 U.S.C. §1129. The Debtor will solicit acceptance of the Plan after its Disclosure Statement has been approved by the Court and is transmitted to the creditors, interest holders and parties in interest. In the event the Debtor does not obtain the necessary acceptances of its Plan, they may make application to the Court for confirmation of the Plan pursuant to 11 U.S.C. §1129(b). The Court may confirm the Plan if it does not discriminate unfairly and is fair and equitable with respect to each class of Claims or Interests that is impaired and has not voted to accept the Plan.

DATED: December 6, 2017

Endless Sales, Inc.

By: /s/Brian Firkins\*

Brian Firkins, CEO

Jeffrey S. Brinen, Esq.  
Keri L. Riley, Esq.  
Kutner Brinen, P.C.  
1660 Lincoln St., Suite 1850  
Denver, CO 80264  
Telephone: 303- 832-2400  
Fax: 303-832-1510  
Email: [jsb@kutnerlaw.com](mailto:jsb@kutnerlaw.com)  
Email: [klr@kutnerlaw.com](mailto:klr@kutnerlaw.com)

ATTORNEYS FOR DEBTOR

\*Original signature maintained on file in the offices of counsel for the Debtor

**EXHIBIT A**

**Executory Contracts and Unexpired Leases Assumed**

1. All contracts and leases previously assumed or for which a motion to assume is pending.

**EXHIBIT B**

**Executory Contracts and Unexpired Leases Rejected**

1. All leases and contracts previously rejected by Court Order or for which a motion to reject is pending.
2. All leases and contracts that are not specifically assumed.

## Exhibit B

**Endless Sales Unsecured Claims**

Exhibit B

<b>Creditor Name</b>	<b>Unsecured claim for</b>		
	<b>Amount of Claim on</b>	<b>Amount of claim</b>	<b>purposes of Class 5</b>
	<b>Schedule F</b>	<b>in proof of claim</b>	<b>analysis</b>
BBVA Compass (Acct. # 9402)	\$ 24,322.05	\$ 24,575.98	\$ 24,575.98
BBVA Compass (Acct. #4175)	\$ 15,461.56	\$ 14,436.76	\$ 14,436.76
BBVA Compass	\$ -	\$ 31,668.01	\$ 31,668.01
BMO (Deficiency Claim)	\$ -	\$ -	\$ 66,139.22
Brian Firkins	\$ 206,230.00	\$ -	\$ 206,230.00
Internal Revenue Service	\$ -	\$ 2,989.78	\$ 2,989.78
Jason Frye	Unknown	\$ 50,000.00	\$50,000.00
Priefert Manufacturing, Inc.	\$ 29,500.00	\$ -	\$ -
U.S. Bank (Deficiency Claim)	\$ -	\$ -	\$ 37,631.40
<b>Total</b>			<b>\$ 433,671.15</b>

## Exhibit C

## Exhibit D

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09/21/17

Cash Basis

## Endless Sales Inc.

## Balance Sheet

As of August 31, 2017

	Aug 31, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Wells Fargo - CH. 11	613,713.01
Sinosure	225.10
Total Checking/Savings	613,938.11
Accounts Receivable	
Accounts Receivable	-14,166.83
Total Accounts Receivable	-14,166.83
Other Current Assets	
Relocation Reimbursement	-142,148.00
Contractor Cash Advance	1,000.00
Octane Forklift Prepayments	59,447.00
Employee Cash Advance	5,418.26
Inventory Asset	1,588,234.20
Unreconciled Funds	1,966.56
Total Other Current Assets	1,513,918.02
Total Current Assets	2,113,689.30
Fixed Assets	
Leasehold Improve - Paint Booth	85,000.00
Loan to Gym Uptown For Equip.	38,474.17
Vehicles	327,861.60
Accumulated Depreciation	-140,278.00
Furniture and Shop Equipment	17,764.99
Total Fixed Assets	328,822.76
Other Assets	
AMEX Holding Account for Ch. 11	10,000.00
Loan from/to Gym Uptown	427,272.07
Tenant Improvement for Big B	304,018.97
Total Other Assets	741,291.04
<b>TOTAL ASSETS</b>	<b>3,183,803.10</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
BBVA Compass LOC 9402-\$25k - ok	24,283.14
Total Credit Cards	24,283.14
Other Current Liabilities	
Sub Settlement	50,000.00
Ruben Acevedo Garnishment	-400.00
Ryan Rickert Child Support	122.48
Richard Espinoza Garnishment	191.62
Cesar A. Manriquez Garnishment	-80.00
Direct Deposit Liabilities	-2,612.00
Payroll Liabilities	2,050.91
Sales Tax Payable	6,419.99
Total Other Current Liabilities	55,693.00
Total Current Liabilities	79,976.14



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09/21/17

Cash Basis

## Endless Sales Inc.

## Balance Sheet

As of August 31, 2017

	Aug 31, 17
Long Term Liabilities	
CH. 11 Secure loans - BBVA Comp	-29,458.83
BBVA Compass \$300k - 8376 -ok	299,125.29
Tow Truck Loan-0494	130,139.22
BBVA Compass 200k LOC-0042	105,436.07
BBVA Compass Loan-4175-\$60K-OK	10,696.89
Paint Booth-6748	49,357.39
BBVA Compass \$500K Loan 034 -OK	247,780.87
Total Long Term Liabilities	813,076.90
Total Liabilities	893,053.04
Equity	
Brian Loan to DFB	161,340.31
Retained Earnings	1,744,076.69
Shareholder Dividends Paid/Depo	
Draw/Deposit Brian	-104,634.72
Federal Taxes	-624.64
Shareholder Dividends Paid/Depo - Other	5,250.09
Total Shareholder Dividends Paid/Depo	-100,009.27
Net Income	485,342.33
Total Equity	2,290,750.06
TOTAL LIABILITIES & EQUITY	3,183,803.10

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09/21/17

Cash Basis

## Endless Sales Inc.

## Profit &amp; Loss

August 2017

	Aug 17
Ordinary Income/Expense	
Income	
Freight In-House Towing Income	4,825.38
Equipment Svc/Repair Income	3,861.29
Equipment Rental Income	24,999.00
Sales	505,292.98
Total Income	538,978.65
Cost of Goods Sold	
Selling Fees (ebay, online fee)	813.62
Equipment Purchases	152,777.80
Equipment Accessories	49.73
Equipment Purchase Warranty	750.00
Equipment Svc/Repair Expense	
Equipment Service Expense	9,438.64
Parts	17,596.46
Total Equipment Svc/Repair Expense	27,035.10
Freight	37,539.97
Merchant Account Fees	268.70
Paint Expense	5,415.89
Subcontracted Services	22,061.05
Total COGS	246,711.86
Gross Profit	292,266.79
Expense	
Advertising and Promotion	33,572.71
Automobile Expense	
Propane/forklift	503.80
Company Auto Payments/Registrat	101.08
Auto Repair/Maintenance	42.75
Fuel	1,143.30
Total Automobile Expense	1,790.93
Bank Service Charges	1,542.49
Client/Employee Appreciation	706.24
Commissions	24,044.78
Computer and Internet Expenses	
Anti-Virus/Software	1,419.98
Internet & Phone	1,593.85
Total Computer and Internet Expenses	3,013.83
Continuing Education	16.09
Dues and Subscriptions	603.83
In-House Towing Expense	
In-House T-Truck FREIG Fuel	866.02
In-House T-Truck FREIG Ins/Reg	252.00
Total In-House Towing Expense	1,118.02
Insurance Expense	
Health Insurance Expense	411.02
Workers Compensation	3,597.00
General Liability Insurance	1,242.53
Auto Insurance Expense	677.19
Total Insurance Expense	5,927.74
Office Equipment	306.29
Office Supplies	413.00
Payroll Expenses	79,191.43
Postage and Delivery	342.93

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09/21/17  
Cash Basis

Endless Sales Inc.  
**Profit & Loss**  
August 2017

	Aug 17
Professional Fees	
Attorney Fees	4,000.00
Accounting/Consulting Expense	2,332.45
Total Professional Fees	6,332.45
Rent Expense	11,518.00
Repairs and Maintenance	650.00
Shop Expense	500.25
Taxes	
Property Taxes Expense	811.62
Total Taxes	811.62
Telephone Expense - Cell	293.46
Travel Expense	
Parking/tolls	115.94
Total Travel Expense	115.94
Uniforms	1,048.97
Utilities	593.60
Total Expense	174,454.60
Net Ordinary Income	117,812.19
Other Income/Expense	
Other Expense	
Sales Tax Adjustments	-18.71
Total Other Expense	-18.71
Net Other Income	18.71
Net Income	117,830.90

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10/19/17

Cash Basis

**Endless Sales Inc.**  
**Balance Sheet**  
**As of September 30, 2017**

	Sep 30, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Wells Fargo - CH. 11	615,473.99
Sinasure	225.10
Total Checking/Savings	615,699.09
Accounts Receivable	
Accounts Receivable	-22,293.96
Total Accounts Receivable	-22,293.96
Other Current Assets	
Relocation Reimbursement	-142,148.00
Contractor Cash Advance	1,000.00
Octane Forklift Prepayments	98,974.00
Employee Cash Advance	5,418.26
Inventory Asset	1,590,434.20
Unreconciled Funds	71,738.66
Total Other Current Assets	1,625,417.12
Total Current Assets	2,218,822.25
Fixed Assets	
Leasehold Improve - Paint Booth	85,000.00
Loan to Gym Uptown For Equip.	38,474.17
Vehicles	327,861.60
Accumulated Depreciation	-140,278.00
Furniture and Shop Equipment	17,764.99
Total Fixed Assets	328,822.76
Other Assets	
AMEX Holding Account for Ch. 11	10,000.00
Loan from/to Gym Uptown	425,878.11
Tenant Improvement for Big B	304,018.97
Total Other Assets	739,897.08
<b>TOTAL ASSETS</b>	<b>3,287,542.09</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
BBVA Compass LOC 9402-\$25k - ok	24,283.14
Total Credit Cards	24,283.14
Other Current Liabilities	
Sub Settlement	50,000.00
Ruben Acevedo Garnishment	-400.00
Cesar A. Manriquez Garnishment	-80.00
Direct Deposit Liabilities	224.20
Payroll Liabilities	5,124.74
Sales Tax Payable	11,850.01
Total Other Current Liabilities	66,718.95
Total Current Liabilities	91,002.09

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10/19/17

Cash Basis

**Endless Sales Inc.**  
**Balance Sheet**  
**As of September 30, 2017**

	Sep 30, 17
<b>Long Term Liabilities</b>	
CH. 11 Secure loans - BBVA Comp	-46,958.83
BBVA Compass \$300k - 8376 -ok	299,125.29
Tow Truck Loan-0494	128,139.22
BBVA Compass 200k LOC-0042	105,436.07
BBVA Compass Loan-4175-\$60K-OK	10,696.89
Paint Booth-6748	49,357.39
BBVA Compass \$500K Loan 034 -OK	247,780.87
<b>Total Long Term Liabilities</b>	793,576.90
<b>Total Liabilities</b>	884,578.99
<b>Equity</b>	
Brian Loan to DFB	161,340.31
<b>Retained Earnings</b>	1,778,835.81
Shareholder Dividends Paid/Depo	
Draw/Deposit Brian	-104,634.72
Federal Taxes	4,363.38
Shareholder Dividends Paid/Depo - Other	3,950.09
<b>Total Shareholder Dividends Paid/Depo</b>	-96,321.25
<b>Net Income</b>	559,108.23
<b>Total Equity</b>	2,402,963.10
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,287,542.09</b>

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10/19/17  
Cash Basis

Endless Sales Inc.  
**Profit & Loss**  
September 2017

	Sep 17
Ordinary Income/Expense	
Income	
Freight In-House Towing Income	5,807.77
Equipment Svc/Repair Income	2,563.32
Equipment Rental Income	30,474.76
Sales	503,111.89
Total Income	541,957.74
Cost of Goods Sold	
Equipment Purchases	188,756.37
Equipment Svc/Repair Expense	
Equipment Service Expense	3,067.04
Parts	33,683.54
Total Equipment Svc/Repair Expense	36,750.58
Freight	19,984.00
Merchant Account Fees	1,597.35
Paint Expense	5,944.52
Subcontracted Services	27,465.36
Total COGS	280,498.18
Gross Profit	261,459.56
Expense	
Advertising and Promotion	33,925.28
Automobile Expense	
Propane/forklift	799.80
Company Auto Payments/Registrat	378.54
Auto Repair/Maintenance	22.09
Fuel	1,046.94
Total Automobile Expense	2,247.37
Bank Service Charges	1,428.18
Business Licenses and Permits	48.77
Client/Employee Appreciation	655.75
Commissions	24,726.35
Computer and Internet Expenses	
Anti-Virus/Software	2,480.43
Internet & Phone	2,096.14
Total Computer and Internet Expenses	4,576.57
Continuing Education	16.09
Dues and Subscriptions	310.82
In-House Towing Expense	
In-House T-Truck FREIG Fuel	1,291.84
In-House T-Truck FREIG Ins/Reg	252.00
In-House T-Truck INT Main/Rep	65.80
Total In-House Towing Expense	1,609.64
Insurance Expense	
Health Insurance Expense	411.02
General Liability Insurance	1,242.53
Auto Insurance Expense	677.19
Total Insurance Expense	2,330.74
Office Equipment	112.73
Office Supplies	238.54
Payroll Expenses	79,358.24
Postage and Delivery	750.39

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10/19/17  
Cash Basis

**Endless Sales Inc.**  
**Profit & Loss**  
**September 2017**

	Sep 17
Professional Fees	
Attorney Fees	4,000.00
Accounting/Consulting Expense	2,251.81
Total Professional Fees	6,251.81
Rent Expense	11,518.00
Repairs and Maintenance	634.65
Shop Expense	3,179.58
Telephone Expense - Cell	272.17
Travel Expense	
Parking/tolls	195.00
Airfare/Hotel/Rental Car/Taxi	72.73
Total Travel Expense	267.73
Uniforms	1,187.78
Utilities	5,386.49
Total Expense	181,033.67
Net Ordinary Income	80,425.89
Other Income/Expense	
Other Expense	
Sales Tax Adjustments	-73.79
Total Other Expense	-73.79
Net Other Income	73.79
Net Income	80,499.68

11:38 AM  
11/21/17  
Cash Basis

**Endless Sales Inc.**  
**Balance Sheet**  
**As of October 31, 2017**

	Oct 31, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Wells Fargo - CH. 11	772,808.47
Sinosure	225.10
Total Checking/Savings	773,033.57
Accounts Receivable	
Accounts Receivable	-21,379.66
Total Accounts Receivable	-21,379.66
Other Current Assets	
Relocation Reimbursement	-142,148.00
Contractor Cash Advance	1,000.00
Octane Forklift Prepayments	98,974.00
Employee Cash Advance	5,409.76
Inventory Asset	1,590,434.20
Unreconciled Funds	15,980.45
Total Other Current Assets	1,569,650.41
Total Current Assets	2,321,304.32
Fixed Assets	
Leasehold Improve - Paint Booth	85,000.00
Loan to Gym Uptown For Equip.	38,474.17
Vehicles	327,861.60
Accumulated Depreciation	-140,278.00
Furniture and Shop Equipment	17,764.99
Total Fixed Assets	328,822.76
Other Assets	
AMEX Holding Account for Ch. 11	10,000.00
Loan from/to Gym Uptown	425,878.11
Tenant Improvement for Big B	304,018.97
Total Other Assets	739,897.08
<b>TOTAL ASSETS</b>	<b>3,390,024.16</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
BBVA Compass LOC 9402-\$25k - ok	24,283.14
Total Credit Cards	24,283.14
Other Current Liabilities	
Sub Settlement	50,000.00
Ruben Acevedo Garnishment	-400.00
Cesar A. Manriquez Garnishment	-80.00
Direct Deposit Liabilities	224.20
Payroll Liabilities	4,680.38
Sales Tax Payable	13,565.82
Total Other Current Liabilities	67,990.40
Total Current Liabilities	92,273.54



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 11/21/17  
 Cash Basis

**Endless Sales Inc.**  
**Balance Sheet**  
**As of October 31, 2017**

	Oct 31, 17
<b>Long Term Liabilities</b>	
CH. 11 Secure loans - BBVA Comp	-64,458.83
BBVA Compass \$300k - 8376 -ok	299,125.29
Tow Truck Loan-0494	126,139.22
BBVA Compass 200k LOC-0042	105,436.07
BBVA Compass Loan-4175-\$60K-OK	10,696.89
Paint Booth-6748	49,357.39
BBVA Compass \$500K Loan 034 -OK	247,780.87
<b>Total Long Term Liabilities</b>	<b>774,076.90</b>
<b>Total Liabilities</b>	<b>866,350.44</b>
<b>Equity</b>	
Brian Loan to DFB	161,340.31
Retained Earnings	1,778,835.81
Shareholder Dividends Paid/Depo	
Draw/Deposit Brian	-104,634.72
Federal Taxes	4,363.38
Shareholder Dividends Paid/Depo - Other	3,950.09
<b>Total Shareholder Dividends Paid/Depo</b>	<b>-96,321.25</b>
<b>Net Income</b>	<b>679,818.85</b>
<b>Total Equity</b>	<b>2,523,673.72</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,390,024.16</b>

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11/21/17  
Cash Basis

**Endless Sales Inc.**  
**Profit & Loss**  
**October 2017**

	Oct 17
Ordinary Income/Expense	
Income	
Freight In-House Towing Income	3,923.43
Equipment Svc/Repair Income	8,366.59
Equipment Rental Income	24,489.00
Sales	636,998.19
Total Income	673,777.21
Cost of Goods Sold	
Equipment Purchases	230,383.54
Equipment Accessories	5,654.41
Equipment Purchase Warranty	2,949.00
Equipment Svc/Repair Expense	
Equipment Service Expense	10,595.11
Parts	26,846.20
Equipment Svc/Repair Expense - Other	292.28
Total Equipment Svc/Repair Expense	37,733.59
Freight	47,366.65
Merchant Account Fees	1,154.49
Paint Expense	6,580.10
Subcontracted Services	27,596.46
Total COGS	359,418.24
Gross Profit	314,358.97
Expense	
Donations/Contributions	1,121.50
Advertising and Promotion	36,931.48
Automobile Expense	
Propane/forklift	1,016.70
Company Auto Payments/Registrat	386.23
Auto Repair/Maintenance	811.52
Fuel	984.12
Total Automobile Expense	3,198.57
Bank Service Charges	2,972.35
Business Licenses and Permits	50.00
Client/Employee Appreciation	915.03
Commissions	27,318.21
Computer and Internet Expenses	
Anti-Virus/Software	1,427.75
Internet & Phone	1,545.31
Computer and Internet Expenses - Other	32.73
Total Computer and Internet Expenses	3,005.79
Continuing Education	16.09
Dues and Subscriptions	1,534.11
In-House Towing Expense	
In-House T-Truck FREIG Fuel	1,782.04
In-House T-Truck FREIG Main/Rep	698.48
In-House T-Truck FREIG Ins/Reg	252.00
In-House T-Truck INT Main/Rep	92.13
Total In-House Towing Expense	2,824.65
Insurance Expense	
Health Insurance Expense	411.02
Workers Compensation	3,166.00
General Liability Insurance	1,242.53
Auto Insurance Expense	732.36
Total Insurance Expense	5,551.91

11:36 AM  
 11/21/17  
 Cash Basis

**Endless Sales Inc.**  
**Profit & Loss**  
**October 2017**

	Oct 17
Meals and Entertainment	207.57
Office Equipment	71.78
Office Supplies	1,003.85
Payroll Expenses	85,291.12
Postage and Delivery	515.02
Professional Fees	
CH. 11 Expense	4,875.00
Attorney Fees	2,000.00
Accounting/Consulting Expense	2,687.50
Total Professional Fees	9,562.50
Rent Expense	11,518.00
Repairs and Maintenance	650.00
Shop Expense	1,871.92
Telephone Expense - Cell	298.40
Travel Expense	
Parking/tolls	74.98
Airfare/Hotel/Rental Car/Taxi	150.47
Total Travel Expense	225.45
Uniforms	1,443.97
Utilities	643.91
Total Expense	198,743.18
Net Ordinary Income	115,615.79
Other Income/Expense	
Other Expense	
Sales Tax Adjustments	-372.53
Total Other Expense	-372.53
Net Other Income	372.53
Net Income	115,988.32

## Exhibit E

ENDLESS SALES, INC. 17-11037-EEB  
Liquidation Analysis

<u>Assets</u>	<u>Est. Value</u>	<u>Secured Liens</u>	<u>Costs of Sale/Recovery</u>	<u>Net value</u>
<b>Personal Property (Schedule B)</b>				
Checking account at BBVA Compass	\$ 803,057.05	\$ 602,278.04		\$ 200,779.01
Inventory (Liquidation Value) [1]	\$ 976,516.33	\$ -	\$ 97,651.63	\$ 878,864.70
Office furniture, equipment	\$ 3,500.00	\$ -	\$ 350.00	\$ 3,150.00
2015 Freightliner A882496	\$ 72,000.00	\$ 72,000.00	\$ 7,200.00	\$ (7,200.00)
2005 Chevy Astro	\$ 1,375.00	\$ -	\$ 137.50	\$ 1,237.50
2004 International 4300	\$ 10,000.00	\$ -	\$ 1,000.00	\$ 9,000.00
2008 BMW 335i	\$ 3,500.00	\$ -	\$ 350.00	\$ 3,150.00
2009 Lamborghini	\$ 124,000.00	\$ -	\$ 12,400.00	\$ 111,600.00
2011 BMW xDrive35i	\$ 28,000.00	\$ -	\$ 2,800.00	\$ 25,200.00
Paint Booth	\$ 25,000.00	\$ 25,000.00	\$ 2,500.00	\$ -
Discount Forklift website	\$ -	N/A	\$ -	Unknown
Octane Forklift website	\$ -	N/A	\$ -	Unknown
Octane Trademark	\$ -	N/A	\$ -	Unknown
Customer List	\$ -	N/A	\$ -	Unknown
Leasehold Improvements	\$ -	N/A	\$ -	\$ -
Amounts owed from Uptown Gym (uncollectible)	\$ -	N/A	\$ -	\$ -
<b>Total Net Assets</b>				<b>\$ 1,225,781.21</b>

[1] Assumes 30% decrease in value due to liquidation

**Costs of Ch. 7 Administration (Estimated)**

Chapter 7 Administrative Expenses	\$ 10,000.00
Chapter 7 Trustee's Fees	\$ 60,023.44
<b>Total Chapter 7 Expenses</b>	<b>\$ 70,023.44</b>

**Chapter 11 Expenses (Estimated as of Conversion)**

Kutner Brinen, P.C. (Debtor's bankruptcy counsel)	\$ 10,000.00
Hampton & Pigott, LLP (Debtor's counsel for state court and general commercial litigation)	\$ 5,000.00
<b>Total Administrative Claims Chapter 11</b>	<b>\$ 15,000.00</b>

Total Administrative Claims \$ 85,023.44

**Net Assets after Payment of Administrative and Secured Claims:** \$ 1,140,757.77

**Percentage of Distribution to Unsecured Creditors:** 100%