

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
NEW HAVEN DIVISION**

In re:)	
)	Chapter 11
)	
BAILEY'S EXPRESS, INC.,)	Case No. 17-31042(AMN)
)	
Debtor.)	

FIRST AMENDED DISCLOSURE STATEMENT

Elizabeth J. Austin, Esq.
Jessica Grossarth Kennedy, Esq.
Pullman & Comley, LLC
850 Main Street
8th Floor
Bridgeport, CT 06604
Counsel to Bailey's Express, Inc.

I. INTRODUCTION

A. *The Disclosure Statement*

The Debtor, Bailey's Express, Inc. ("Debtor") has proposed and filed its Amended Plan of Liquidation dated October 20, 2017 (the "Plan") under Chapter 11 of Title 11 of the United States Code ("Bankruptcy Code"). The Debtor submits this Amended Disclosure Statement dated October 20, 2017 (the "Disclosure Statement") pursuant to Section 1125 of the Code in connection with solicitation of acceptances or rejections of the Plan from, holders of claims and interests in the Debtor. A copy of the Plan is annexed hereto as **Exhibit "A."**¹ The Debtor is seeking confirmation of the Plan by the Court.

The hearing on confirmation of the Plan is scheduled for _____, 2017 at ____:____ a.m./p.m. By order of the Bankruptcy Court dated _____, 2017 this Disclosure Statement has been approved as containing "adequate information" for creditors and equity security holders of the Debtor in accordance with Section 1125(b) of the Code. Approval of this Disclosure Statement by the Bankruptcy Court does not indicate that the Bankruptcy Court recommends either acceptance or rejection of the Plan.

Holders of Class 2 Claims (General Unsecured Claims) are impaired and should read this Disclosure Statement and the Plan in their entirety before voting. Holders of Class 3 Interests (Equity) are impaired, will receive no distributions under the Plan and are deemed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g). No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code. You should not rely on any information relating to the Debtor, its estate or the Plan, other than that contained in this Disclosure Statement, the Plan and the documents

¹ All capitalized terms not expressly defined herein shall be given the meaning ascribed to them in the Plan.

provided with the Disclosure Statement and Plan. In making a decision to accept or reject the Plan, each claimant eligible to vote must rely on its own examination of the Debtor as described in the Disclosure Statement and terms of the Plan, and should consult with such legal, business, financing and tax advisors as to any such matters concerning the solicitation of votes to accept or reject the Plan.

If the requisite acceptances are received, the Plan is confirmed by the Bankruptcy Court, and the Effective Date occurs, all holders of the Claims or Interests (including those who do not submit ballots to accept or reject the Plan) will be bound by the Plan and the transactions contemplated by the Plan.

B. Overview of the Plan

THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. CREDITORS ARE URGED TO REVIEW THE MORE DETAILED DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT, SEE III, "PLAN OF LIQUIDATION" BELOW, AND THE PLAN ITSELF, WHICH IS INCLUDED AS **EXHIBIT A** TO THIS DISCLOSURE STATEMENT. ALL SUMMARIES ARE QUALIFIED BY THE PLAN ITSELF. THE PLAN IS CONTROLLING IN THE EVENT OF ANY INCONSISTENCY BETWEEN A SUMMARY AND THE PLAN.

The Plan is a liquidating plan, and the following table summarizes the classification and treatment of Allowed Claims under the Plan:

<u>Claim and Estimated Amount of Claims in Class</u>	<u>Treatment Under the Plan</u>
Administrative Claims	Paid from Estate Funds, in full satisfaction of its Administrative Claim, Cash equal to the amount of such Allowed Administrative Claim either (i) as soon as reasonably practicable after the Effective Date or (ii) if the Administrative Claim is not Allowed as of the Effective Date, thirty (30) days after the date on which such Administrative Claim becomes an Allowed Administrative Claim.
Class 1 –Secured Claim of Bankwell	Bankwell holds a Secured Claim in the original principal amount of \$150,000, which is secured by a lien on all of the assets of the Debtor. As of the Petition Date, the amount of the debt owed to Bankwell approximated \$11,000. The Debtor has been making its regular payments to Bankwell since the Petition Date, and if not paid sooner, the Bankwell Claim will be paid in full on the Effective Date.
Class 2 – Disputed Claim of SAIA	SAIA holds a claim against the Debtor in the amount of \$846,807.78. SAIA asserts that the claim is secure by reason of an interline trust doctrine theory which the Debtor disputes. Pending the resolution of the Interline Trust Action, the Debtor will hold the amount of the SAIA claim in the Escrow Fund. To the extent SAIA prevails in the Interline Trust Action, then funds in the escrow reserve sufficient to satisfy the judgment against the Debtor or settlement between the parties to the Interline Trust Action will be turned over to SAIA. To the extent any judgment or settlement results in SAIA continuing to hold an unsecured claim, then SAIA will be paid its pro-rated distribution as a holder of an Allowed Unsecured Claim. If the Debtor prevails on the Interline Trust Action, the funds will be deposited into the Unsecured Claim Fund for distribution to holders of General Unsecured Claims and SAIA will be paid its pro-rated distribution as a holder of an Allowed Unsecured Claim.

<u>Claim and Estimated Amount of Claims in Class</u>	<u>Treatment Under the Plan</u>
Class 3 – General Unsecured Claims	Holders of Class 2 Claims will receive their pro rata share of the Unsecured Claim Fund (after payment of Allowed Administrative Expenses and Priority Tax Claims, established by the Escrow Funds the estate assets of the Reserve as required by the Plan, or adequate reserve therefore has been established). On the Initial Distribution Date, the Holders of Allowed Class 2 Claims will receive distributions from the funds available in the Unsecured Claim Fund. Thereafter, distributions of funds available in the Unsecured Claim Fund will be made quarterly to Holders of Allowed Class 2 Claims.
Class 4 – Equity Interests	This Class consists of a 60% interest held by the John M. Hall Marital Trust and a 40% interest held by Jan Youngblood in the Debtor. The John M. Hall Marital Trust and Jan Youngblood’s interests will be extinguished, and will receive no distribution under the Plan and are deemed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g).

C. The Solicitation

On _____, 2017, after a hearing and notice, the Bankruptcy Court entered an Order (the “Disclosure Statement Order”) approving the Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable a hypothetical, reasonable investor, typical of the holders of Claims against the Debtor, to make an informal judgment whether to accept or reject the Plan.

APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OF THE FAIRNESS OR MERITS OF THE PLAN OR OF THE ACCURACY OF COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan for _____, 2013 at ___:___ a.m./p.m. (Eastern Time) before the Honorable Ann A. Nevins, United States Bankruptcy Judge, United States Bankruptcy Court, District of Connecticut, New Haven, Connecticut. The hearing may be adjourned from time-to-time without further notice other than by announcement in the Bankruptcy Court on the scheduled date of such hearing. Any objections to confirmation of the Plan must be in writing and filed with the Clerk of the Bankruptcy Court and served on the counsel listed below to ensure RECEIPT by them on or before _____, 2017. Counsel on whom objections must be served are:

Pullman & Comley, LLC
850 Main Street, 8th Floor
Bridgeport, CT 06604
Attn: Elizabeth J. Austin, Esq.
Counsel to the Debtor

D. Voting Instructions

1. Ballots

In voting for or against the Plan, please use only the ballot or ballots sent to you with this Disclosure Statement. If you have an impaired claim in more than one Class under the Plan, you will receive multiple ballots. IF YOU RECEIVE MORE THAN ONE BALLOT, YOU SHOULD ASSUME THAT EACH BALLOT IS FOR A SEPARATE CLAIM OR INTEREST AND YOU SHOULD COMPLETE AND RETURN ALL OF THEM.

IF YOU ARE A MEMBER OF A VOTING CLASS AND DID NOT RECEIVE A BALLOT, IF YOUR BALLOT IS DAMAGED OR LOST, OR IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, CALL ELIZABETH J. AUSTIN, PULLMAN & COMLEY, LLC AT (203) 330-2243 or VIA E-MAIL at eaustin@pullcom.com.

2. Returning Ballots

Ballots are to be sent to counsel for the Debtor at the following address:

Pullman & Comley, LLC
850 Main Street, 8th Floor - or - via email
Bridgeport, CT 06604 eaustin@pullcom.com
Attn: Elizabeth J. Austin, Esq.

IN ORDER TO BE COUNTED, BALLOTS MUST BE RECEIVED ON OR BEFORE _____, 2017.

E. Acceptance or Rejection of the Plan

As a creditor of the Debtor, your vote on the Plan is most important. In order for the Plan to be accepted by Creditors, votes representing at least two-thirds (2/3) in amount and more than one-half (1/2) in number of claims allowed for voting purposes of each impaired class that are voted must be received for the acceptance of the Plan. The Debtor is soliciting acceptances from members of the following Classes of Claims:

Class 1 (Secured Claim of Bankwell).

Class 2 (Disputed Claim of SAIA).

Class 3 (Holders of General Unsecured Claims).

Class 4 (Equity Interests) is comprised of a 60% interest held by the John M. Hall Marital Trust in the Debtor and a 40% interest held by Jan Youngblood in the Debtor. The John M. Hall Marital Trust and Jan Youngblood's interests will be extinguished, and they will receive no distribution under the Plan and is deemed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g).

TO BE COUNTED, YOUR PROPERLY FILLED OUT AND EXECUTED BALLOT MUST BE RECEIVED BY COUNSEL FOR THE DEBTOR BY 5:00 P.M. EASTERN STANDARD TIME ON _____, 2017, UNLESS THIS

SOLICITATION IS EXTENDED BY ORDER OF THE BANKRUPTCY COURT. BALLOTS RECEIVED AFTER SUCH TIME WILL NOT BE COUNTED. IT IS OF THE UTMOST IMPORTANCE THAT YOU VOTE PROMPTLY TO ACCEPT OR REJECT THE PLAN AFTER CAREFULLY REVIEWING THE PLAN AND THIS DISCLOSURE STATEMENT.

If you wish to change or withdraw your vote after submission of a ballot, Federal Rule of Bankruptcy Procedure 3018(a) requires that you provide notice and show cause at a hearing before the Bankruptcy Court.

At the confirmation hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of Bankruptcy Code section 1129 have been met. The Plan Proponents believe that the Plan meets the applicable requirements of Bankruptcy Code section 1125 (other than those pertaining to vote, which has not yet taken place) and will seek a ruling of the Bankruptcy Court to this effect at the hearing on confirmation of the Plan.

ALL PROJECTED RECOVERIES ARE MERELY ESTIMATES, BASED ON ASSUMPTIONS WHICH ARE SET FORTH IN THIS DISCLOSURE STATEMENT. TO THE EXTENT THAT ACTUAL RESULTS VARY FROM THE ASSUMPTIONS, RECOVERIES MAY VARY FROM THE ESTIMATES.

THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF CREDITORS, AND CREDITORS ARE URGED TO VOTE TO ACCEPT THE PLAN.

II. THE DEBTOR AND THE CHAPTER 11 CASE

A. The Debtor

The Debtor is a privately held corporation incorporated in Connecticut. Prior to the Petition Date, Bailey's was a less than a truckload carrier that provided shipping services across the nation and was dedicated to helping Connecticut, Massachusetts and Rhode Island companies

market their products throughout the United States including Hawaii and Alaska. Bailey's also provided services to Mexico, Puerto Rico and Canada. Bailey's was in business since 1920 and until recent years has been financially sound but because of the downturn in the economy, the increased costs of doing business and the new competition from businesses like Walmart and Amazon, which are now providing their own direct shipping services, Bailey's suffered substantial losses. Bailey's was unable to pay its debts as they come due and had to suspend shipping services. Bailey's sought protection under Chapter 11 for the purposes of working through its financial difficulties, restoring services and reorganizing the business. As described in more detail below, since the Petition Date the Debtor explored four opportunities to restart the business, but despite the Debtor's best efforts, the Debtor has determined that there is no realistic opportunity for a successful restart of the operations and has turned its efforts to liquidating its assets for the benefit of its creditors. As more fully described below, the Debtor has already commenced steps towards liquidating its assets and minimizing expenses.

B. The Professionals

On June 21, 2013 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. By order dated July 13, 2017, this Court approved Pullman & Comley, LLC's ("P&C") retention as counsel to the Debtor *nunc pro tunc* to September 6, 2017. No Official Committee of Unsecured Creditors was appointed in the case.

C. The Cash Collateral Orders

As a result of negotiations with the Bank and SAIA throughout the course of the case, four (4) consensual cash collateral orders have been entered to date. SAIA interposed an objection to use of cash collateral on the basis of SAIA's assertion that the Debtor was holding certain cash in trust on behalf of SAIA in an Interline Trust Doctrine theory. The Debtor resolved the Objection by agreeing to provide SAIA with adequate protection in the form of a

lien, subordinate to the security interest held by Bankwell on the DIP Collateral (as that term is defined in the Cash Collateral Orders), but only to the extent that SAIA successfully establishes that SAIA is entitled to impose an Interline Trust on cash collected by the Debtor (the “SAIA Lien”). The Cash Collateral Orders specifically provide that nothing in such orders preclude the Debtor from contesting SAIA’s assertion that the Debtor is holding certain cash in trust on behalf of SAIA pursuant to the Interline Trust Doctrine.

D. Restart Negotiations

Since the Petition Date, the Debtor has explored four separate opportunities to restart the business, and until recently, believed that it had a very strong likelihood of being able to come to the terms of a program to restart the business with Priority Logistic, Inc. (“Priority”). The Debtor had negotiated terms with Priority that would enable the Debtor to generate sufficient cash to cover the operating costs that the Debtor would incur in the restart operation, and to generate further additional cash to fund a plan that would have generated a distribution to creditors greater than Creditors would receive in a liquidation. Although the restart program that was contemplated meant that the Debtor would operate as a smaller business than it did pre-petition, but it would have, nonetheless, put the Debtor in the position of operating at a profit, maintaining jobs and confirming a plan of reorganization.

Unfortunately, although the Debtor and Priority were very close to finalizing the terms of a deal, Priority ultimately decided not to proceed.

Bailey’s also engaged in negotiations with SAIA and Ferren International regarding a program to restart the business. Discussions with SAIA did not really go any further than the exchange of the proposal and financial information to support same. SAIA indicated fairly quickly that it was not interested in participating in a restart program with Bailey’s. Bailey’s had numerous discussions and engaged in substantial due diligence with Ferren International

(“Ferren”), but ultimately Ferren indicated it was not interested, as it did not believe that it would be able to work out a program with the Debtor that would enable both parties to profit from the deal.

The Debtor also worked with a broker, Hybrid Transportation, in an attempt to negotiate terms with RR Connolly regarding a program to restart the business. Like Ferren, the parties exchanged financial information and engaged in due diligence but ultimately, RR Connolly indicated it was not interested in proceeding with negotiations.

E. Other Steps Taken to Date to Initiate an Efficient Liquidation

Once the Debtor determined that there was no viable restart program that could be implemented in a reasonable period of time, it immediately turned its attention to a liquidation process to maximize value for the Estate and minimize expenses.

On August 16, 2016, the Debtor filed a Motion for an Order Authorizing Rejection of Certain Unexpired Trailer Leases with Boston Trailer, LLC (“Motion to Reject Trailer Leases”). The Motion to Reject the Trailer Leases was heard on September 13, 2017 and an Order entered authorizing the rejection of such Leases on September 15, 2017. Additionally, on August 31, 2017, the Debtor filed a Motion to Reject all four of its Forklift Leases with Toyota Industries Commercial Finance (Motion to Reject Forklift Leases”). The Motion to Reject Forklift Leases is scheduled for hearing on October 11, 2017. Further, the Debtor has informed counsel for Ford Motor Credit Company, LLC (“Ford”) that the Debtor consents to relief from the automatic stay to permit Ford to take possession of the two motor vehicles on which Ford holds a lien.

The Debtor has been actively engaged in discussions with two separate potential stalking horse bidders for the sale of 23 trucks owned by the Debtor. The Debtor filed a motion with the Bankruptcy Court to approve the sale of the trucks subject to higher and better offers and a

motion to approve auction procedures on October 18, 2017. A hearing on the Motion to Approve Auction Procedures is scheduled for October 26, 2017 at 2:00 p.m.

The Debtor has been actively working since the Petition Date to collect prepetition accounts receivable. Since the Petition Date, the Debtor has collected approximately \$925,000 prepetition accounts receivable, and is continuing to work to collect the remaining approximately \$575,000 of prepetition accounts receivable.

The Debtor has also been in discussions with Travis Davis Real Estate regarding its retention as a broker to sell 61 Industrial Park. The Debtor filed a motion to retain Trevor Davis Real Estate as a broker on October 16, 2017.

Additionally, the Debtor has filed a motion to approve or authorize a compromise of Tuxis Ohr's Fuel, Inc.'s 503(b)(9) Claim, which has the two-fold benefit to the Estate of satisfying the Claim in the amount less than what is actually owed, and provides for removal of the fuel in the tank at 61 Industrial Park, the real property owned by the Debtor, at no cost. The hearing on the motion to compromise was held on October 11, 2017 and the Court entered an Order approving the compromise on October 13, 2017. The Debtor has also analyzing the most cost-efficient and beneficial way to liquidate small tools, parts and supplies, and office equipment.

The Debtor is working with the insurance carrier to lower premiums for workers compensation and obtain a 2017 refund basis on lower wages and to lower liability premiums.

An auctioneer will be retained subject to Bankruptcy Court approval to sell the tools and equipment on or before October 31, 2017.

As the Debtor gets closer to completing the liquidation process, a motion to reject copier and mail machines will be filed.

Initially, it will be necessary to retain four employees to assist with the liquidation process. However, the Debtor expects the liquidation to move quickly and that by the end of November 2017, there will be no more than a part-time employee to assist the Plan Administrator. Attached herein as Exhibit B is a projection of the costs of liquidation through November 30, 2017.

F. The SAIA Interline Trust Action

On October 25, 2017, SAIA, Inc. filed a Complaint to determine interest and property and for related relief in the bankruptcy proceeding. SAIA is asserting that Bailey's was or is holding certain cash and trust on behalf of SAIA pursuant to an Interline Trust Doctrine theory, and that SAIA is entitled to a turnover of any cash that the Debtor is still in possession of; and to the extent the Debtor is not in possession of such cash that SAIA is entitled to, a monetary judgment against Bailey's due to breach of trust, and is entitled to a monetary judgment against the officers of Bailey's who SAIA alleges also is in breach of trust.

The Debtor contests the allegations contained in the Complaint, and intends to vigorously defend the adversary proceeding.

G. Promissory Note

The John M. Hall Marital Trust is indebted to the Debtor by reason of a Promissory Note dated December 3, 2016 in the total amount of \$1,600,000 which has a balance due of \$1,158,558.19. The Promissory Note is collateralized by the assets of the Trust. The remaining assets of the Trust other than its interest in the Debtor consist of a farm. The Debtor estimates that the collateral value of the Trust assets approximate \$500,000. As such the amount that the Debtor can ultimately collect from the John M. Hall Marital Trust approximates \$500,000. The Plan Administrator will take all actions necessary to collect the Note including making demand and bringing action if necessary. Nonetheless, the Plan Administrator understands that the sale

of the farm asset is under contract and the Plan Administrator believes the Trust will cooperate with the Plan Administrator and will remit the proceeds to the Debtor.

H. Timeline for the Liquidation Process

The Plan Administrator believes that he can achieve liquidation of all of the primary assets of the Debtor other than the sale of 61 Industrial Park and the collection of the Promissory Note by November 30, 2017. The sale of 61 Industrial Park could take up to a year, but the Plan Administrator will endeavor to ensure that the sale of 61 Industrial Park is accomplished well before that. The collection of the amounts available to collect on the Promissory Note is tied to the sale of the farm and the sale of the farm will be tied to sale contingencies such as potential environmental issues and structural issues. Additionally, the completion of the liquidation process will be tied to resolution of the SAIA Interline Trust Action, whether it be by settlement or judgment. Nonetheless, the Plan Administrator believes that it will be in a position to start making distributions to creditors in December of 2017.

III. THE LIQUIDATING PLAN

THE FOLLOWING DESCRIPTION OF THE PLAN IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE INFORMATION SET FORTH IN THE PLAN, WHICH IS INCLUDED AS EXHIBIT "A" TO THIS DISCLOSURE STATEMENT.

Unclassified Claims

A. Administrative Claims

1. Administrative Claims are not classified under the Plan and holders thereof shall not be entitled to vote to accept or reject the Plan.

a. Payment of Administrative Claims

Each holder of an Allowed Administrative Claim shall receive from Estate Funds, in full satisfaction of its Administrative Claim, Cash equal to the amount of such Allowed Administrative Claim either (i) as soon as reasonably practicable after the Effective Date or (ii) if the Administrative Claim is not Allowed as of the Effective Date, thirty (30) days after the date on which such Administrative Claim becomes an Allowed Administrative Claim. The Debtor estimates Allowed Administrative Claims to be approximately \$45,000.

b. U.S. Trustee Fees

In accordance with Section 1129(a)(12) of the Bankruptcy Code and 28 U.S.C. §1930, all quarterly fees payable to the U.S. Trustee shall be paid by the Debtor from Estate Funds in full on or before their respective due dates and shall continue to be assessed and paid until such time as a final decree closing, an order converting, or an order dismissing this case, is entered by the Court.

c. Professional Fee Claims

The Debtor or Debtor's professionals asserting a Professional Fee Claim for services rendered before the Effective Date must, unless previously filed, file and serve an application for final allowance of such Professional Fee Claim no later than the Administrative Claim Bar Date. The Debtor estimates the Professional Fee Claim to be approximately \$125,000.²

d. Administrative Claim Bar Date

The Bar Date for filing a request for payment of administrative expenses is 5:00 p.m. (EST) on the 30th day after the Effective Date for all entities, including governmental units and Professionals. Each request for payment of an administrative expense, including any

² There is \$88,4080 being held in a retainer account by Pullman & Comley, LLC that is available to be applied to the Professional Fee Claim.

attachments, must be filed with the clerk of the United States Bankruptcy Court, District of Connecticut, 157 Church Street, New Haven, Connecticut 06510. Failure to file a request for payment of administrative expense on or before the 30th day after the Effective Date will result in such claim being forever barred from receiving any distribution of cash or property from the Estate.

B. Allowed Priority Tax Claims

Allowed Priority Tax Claims are not classified under the Plan, and holders thereof shall not be entitled to vote to accept or reject the Plan. Unless otherwise agreed by the holder of an Allowed Priority Tax Claim and the Debtor, each holder of an Allowed Priority Tax Claim shall receive from the Debtor from Estate Funds, in full satisfaction of its Allowed Priority Tax Claim, payment, in full in Cash of a total value, as of the Effective Date, equal to the Allowed amount of such Claim plus interest at the applicable rate.

Classified Claims

All Allowed Claims and Equity Interests, except allowed Administrative and Priority Tax Claims, are placed in the following Classes for all purposes, including voting, Confirmation and distributions pursuant to the Plan. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of a different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise satisfied prior to the Effective Date.

Class 1 – Secured Claim of Bankwell

The Class 1 Claim approximates \$1,800. On February 25, 2011, the Debtor executed and delivered to Quinnipiac Bank and Trust Company (“QBT”), as lender, a certain Business Loan

Agreement (the “Loan Agreement”) and Promissory Note in the principal amount of \$150,000 (the Note”), a Commercial Security Agreement (the “Security Agreement”) and a UCC-1 financing statement covering all of the Debtor’s assets (the “UCC-1”) (the Loan Agreement, the Note, the Security Agreement and the UCC-1 shall be collectively referred to as the “Loan”). As of the Petition Date, the amount of approximately \$11,000 was due and owing to Bankwell on the Loan. The Debtor has continued to make regular payments to Bankwell since the Petition Date. If not paid sooner, the balance of Bankwell’s claim will be paid in full on or before the Effective Date.

Class 2 – Disputed Claim of SAIA

SAIA holds a claim against the Debtor in the amount of \$846,807.78. On October 25, 2017, SAIA, Inc. filed the Interline Trust Action. SAIA is asserting that Bailey’s was or is holding certain cash and trust on behalf of SAIA pursuant to an interline trust doctrine theory, and that SAIA is entitled to a turnover of any cash that the Debtor is still is in possession of; and to the extent the Debtor is not in possession of such cash that SAIA is entitled to, a monetary judgment against Bailey’s due to breach of trust, and is entitled to a monetary judgment against the officers of Bailey’s who SAIA alleges also is in breach of trust. The Debtor contests the allegations contained in the Complaint, and intends to vigorously defend the adversary proceeding.

SAIA also interposed an objection to the Debtor’s use of cash collateral on the basis of the interline trust doctrine theory. The Debtor resolved the objection by agreeing to provide SAIA with adequate protection in the form of a lien, subordinate to the security interest held by Bankwell on the DIP Collateral (as that term is defined in the Cash Collateral Orders), but only to the extent that SAIA successfully establishes that SAIA is entitled to impose an interline trust on cash collected by the Debtor. The Cash Collateral Orders specifically provide that nothing in

the Cash Collateral Orders preclude the Debtor from contesting SAIA's assertion that the Debtor is holding certain cash in trust on behalf of SAIA pursuant to the interline trust doctrine theory.

On the Effective Date, the Debtor will deposit into the Escrow Fund, cash in the amount of \$846,807.78. To the extent SAIA prevails in the Interline Trust Action, then the funds in the Escrow Reserve sufficient to satisfy the judgment against the Debtor or settlement between the Parties to the Interline Trust Action will be turned over to SAIA. To the extent the If the Interline Trust Action results in a portion of SAIA's claim to be unsecured, then that portion of the claim will be paid as pro-rated distribution as a holder of an Allowed Unsecured Claim. If the Debtor prevails on the Interline Trust Action the funds will be deposited into the Unsecured Claim Fund for distribution to Holders of Allowed Unsecured Claims and SAIA will be paid its pro-rated distribution as a Holder of an Allowed Unsecured Claim.

Class 3 – Allowed General Unsecured Claims

The Class 3 Claims approximate \$2,500,00.00, not including the SAIA Claim. Holders of Class 3 Claims will receive their pro rata share of the Unsecured Claim Fund (after payment of Allowed Administrative Expenses and Priority Tax Claims, as required by the Plan, or adequate reserve therefore has been established). On the Initial Distribution Date, the Holders of Allowed Class 2 Claims will receive distributions from the funds available in the Unsecured Claim Fund. Thereafter, distributions of funds available in the Unsecured Claim Fund will be made quarterly to Holders of Allowed Class 2 Claims. The Debtor estimates that Allowed Class 2 Claims will receive a total distribution in the range of between 13 percent and 14 percent if

SAIA successfully prevails on its claims and an interline trust is imposed on the assets of the Debtor and in the range of between 9 percent and 10 percent if SAIA is unsuccessful.³

Class 3 – Equity Interests

This Class consists of the 60% interests held by The John M. Hall Marital Trust and the 40% interest held by Jan Youngblood in the Debtor. The John M. Hall Marital Trust and Jan Youngblood's interests will be extinguished, and they will receive no distribution under the Plan and are deemed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g).

IV. MEANS OF IMPLEMENTATION OF THE PLAN

A. Funding

The source of funding for the Plan shall consist of Cash on Hand, collection of Accounts Receivable, the sale of the trucks and trailer, proceeds from Causes of Action and the sale of 61 Industrial Park.

B. Appointment of Plan Administrator

1. Identity

David Allen shall be deemed the Plan Administrator for the Debtor. The Plan Administrator shall assume his duties as of the Effective Date. The Plan Administrator will be required to post a bond representing 150% of the Cash on Hand as of the date of the Confirmation Order, and such bond shall be paid with the Estate Funds and shall be in favor of the United States of America.

³ The Debtor has identified approximately \$420,000 in potential preference claims. To the extent the Debtor is successful in prevailing on such preference claims, then the distributions to Allowed Unsecured Claims will increase.

2. Powers and Authority of Plan Administrator

The power and authority of the Plan Administrator shall, without any further Bankruptcy Court approval, include, without limitation, the following: (i) make distributions in accordance with the Plan; (ii) liquidating and converting the remaining assets of the Debtor to cash in accordance with the Plan; (iii) pay taxes and other obligations owed by the Debtor from Estate Funds in accordance with the Plan; (iv) to engage independent contractors and/or professional persons to assist the Plan Administrator with respect to its responsibilities, subject to Bankruptcy Court approval; (v) paying Allowed amounts due any professionals employed by the Debtor from Estate Funds; and (vi) such other powers and authorities as may be vested in the Plan Administrator by the Bankruptcy Court or as may be necessary and proper to carry out the provisions of this Plan.

3. Responsibilities of Plan Administrator

The responsibilities of the Plan Administrator shall include, but not be limited to, (i) collecting all Accounts Receivable; (ii) marketing and selling the Trucks and Trailers subject to Bankruptcy Court approval; (iii) marketing and selling 61 Industrial Park, subject to Bankruptcy Court approval; (iv) distributing all funds collected in the manner set forth herein; (v) establishing the Distribution Account; (vi) providing monthly reports of all funds collected and distributed to all Holders of Allowed Claims, the US Trustee and filing such report with the Bankruptcy Court which shall be due the 15th of every month for the preceding month; (vii) implementing all distributions provided for under this Plan; (viii) overseeing the filing all required tax returns, and paying taxes and other obligations on behalf of the Debtor from Estate funds; (ix) prosecuting or otherwise resolving Causes of Action, facilitating the prosecution of and settlement of, objections to, and estimation of claims, subject, however, to the approval of the Bankruptcy Court; and (x) the collection of the Promissory Note including but not limited to

commencing an action to collect same; (xi) defending the Interline Trust Action; and (xii) such other responsibilities as may be vested in the Plan Administrator pursuant to Bankruptcy Court order or as may be necessary or proper to carry out the provisions of the Plan. The Plan Administrator estimates that he will need to spend between approximately 20 to 24 hours per week fulfilling his responsibilities as the Plan Administrator during the months of November and December and thereafter between 12 and 14 hours per week.

4. Retention of Professionals

The Plan Administrator may employ professionals including, but not limited to those who were previously employed by the Debtor subject to the approval of the Bankruptcy Court.

5. Compensation

The Plan Administrator will continue to receive a salary of \$2,000 per week throughout the liquidation process, provided, however, that regardless of how long the liquidation process continues, the Plan Administrator will receive compensation of no more than a total of \$75,000 for his duties as Plan Administrator.

6. Removal of Plan Administrator

Any creditor of the Estate or the U.S. Trustee has standing to seek an order from the Bankruptcy Court, after Notice of Hearing, to remove the Plan Administrator or any successor plan administrator appointed pursuant to the Plan for cause shown.

7. Conversion to Chapter 7

In the event the Plan Administrator is removed, resigns, or otherwise ceases to serve as Plan Administrator, before the completion of all the duties, responsibilities and powers of the Plan Administrator have been completed then the case will be converted to a Chapter 7.

8. Termination

The duties, responsibilities and powers of the Plan Administrator shall terminate on the earlier of 12 months after the Effective Date or date all Assets have been liquidated.

9. Records

The Plan Administrator shall maintain good and sufficient books and records of the Estate Funds, account relating to the assets of the Debtor's Estate, all post-confirmation transactions undertaken by the Plan Administrator, all expenses incurred by or on behalf of the Plan Administrator and after the Effective Date and all distributions contemplated or effectuated under the Plan.

C. Implementation

The Plan Administrators shall take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan. The Confirmation Order shall contain appropriate provisions, consistent with section 1142 of the Bankruptcy Code, directing the Plan Administrators, any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect the transfers of property required by the Plan, including any notice of satisfaction, release or discharge of any lien, claim or encumbrance not expressly preserved in the Plan and any correction or other deed with respect to title, and to perform any act, including the satisfaction of any lien, that is necessary for the consummation of the Plan. Pursuant to sections 105, 1141, 1142 and 1143 of the Bankruptcy Code, the Bankruptcy Court may enter one or more Orders in aid of Confirmation directing the implementation of matters or actions required by the Plan.

D. Payment of Fees and Expenses

From the Effective Date until the entry of the Final Decree, all fees and expenses of the Debtor and its agents, professionals and employees incurred in connection with all matters

related to the Case and consummation and implementation of this Plan shall be paid from Estate Funds subject to Bankruptcy Court approval.

V. PROVISIONS GOVERNING DISTRIBUTIONS

A. Collection and Segregation Process

All Cash on Hand, all Accounts Receivable collected on or after the Petition Date and all monies from the sales of the Trucks, Trailers, and other assets, the sale of 61 Industrial Park, the Promissory Note and proceeds from the Causes of Action provided, however, that the funds necessary to fund the Escrow Account will be deposited will be deposited into the Distribution Account.

B. Timing of Distributions Under the Plan

Funds available in the Unsecured Claim Fund shall be paid to Holders of Allowed Unsecured Claims on the Initial Distribution Date continuing each and every quarter thereafter until the earlier of twenty-four (24) months after the Effective Date or the assets have been liquidated and/or Accounts Receivable collected.

C. Method of Payment

Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to the Plan shall be made by check drawn on a domestic bank.

D. Prosecution of Objections

After the Confirmation Date, only the Plan Administrator shall have authority to file, settle, compromise, withdraw or litigate to judgment objections to any Claim, administrative Claim or Disputed Claim or Disputed Interest, subject to review and approval of the Oversight Person.

E. No Distribution Pending Allowance

Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Disputed Claim are resolved by Final Order.

F. Deposit of Cash Distributions Related to Disputed Claims (the "Reserve")

1. Unless otherwise agreed to in writing by the Plan Administrator and the Holder of any Claim to which this section applies and exclusive of General Unsecured Claims, on the Effective Date the Plan Administrator shall reserve Cash equal to 100% of the Cash to be distributed on account of Disputed Claims that would be Allowed Claims but for the pendency of a dispute with respect thereto. Such Cash shall be held for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

2. In determining the amount of Cash to be distributed under the Plan on account of Disputed Claims, the calculation of the distribution to each holder of an Allowed Claim in such class shall be made as if all Disputed Claims in the applicable class were Allowed Claims in their respective face amounts.

3. The Plan Administrator shall have the right to seek an Order of the Bankruptcy Court, after notice and a hearing, estimating or limiting the amount of Cash that must be so reserved. Any Creditor whose Claims is so estimated shall have no recourse to any assets thereto distributed on account of any Allowed Claim, or any other Entity or property if the Allowed Claim of that Creditor as determined by Final Order exceeds the amount so deposited. Instead, such Creditor shall have recourse only to the undistributed assets in the Disputed Claims account (on a pro-rated basis with other Creditors of the same Class who are similarly situated) that exceed the aggregate amount of all Disputed Claims allowed by Final Order.

G. Distribution of Allowance

Within ten (10) business days after the allowance of a Disputed Claim, in the event a Distribution has been made as of the date such claim becomes a Allowed Claim, the Plan Administrator shall distribute from the funds reserved in accordance with Article VII, Section E of the Plan, all Cash to which a Holder is then entitled with respect to any Disputed Claim that has become an Allowed Claim.

H. Investment of Segregated Cash and Property

The Plan Administrator will hold any Cash segregated on account of any Disputed Claim, undeliverable distribution, or any proceeds thereof in a separate, segregated interest bearing account.

I. Distribution After Disallowance

The Cash segregated on account of Disputed Claims, including the allocable portion of the net return yielded from any investment thereof remaining after all Disputed Claims have been resolved, shall be deposited into the Distribution Account.

J. Delivery of Distributions

Distributions to holders of Allowed Claims shall be made: (1) at the addresses set forth on the respective Proofs of Claim or Proofs of Interests filed by such Holders; (2) at the addresses set forth in any written notices of address changes delivered to the Plan Administrator after the date of any related Proof of Claim; or (3) at the address reflected in the Schedules if no Proof of Claim or Proof is filed and the Plan Administrator has not received a written notice of a change of address.

K. Undeliverable Distributions

If any Distribution is returned to the Plan Administrator as undeliverable, no further distribution shall be made to the holder unless and until the Plan Administrator is notified in

writing of such holder's then current address. Undeliverable distributions shall remain in the possession of the Plan Administrator until the earlier of (i) such time as a distribution becomes deliverable or (ii) such undeliverable distribution becomes an unclaimed distribution pursuant to Article VII, Section L of the Plan, after which time, any undeliverable distribution shall be deposited into the Unsecured Claim Fund.

Nothing contained in the Plan shall require the Plan Administrator to attempt to locate any Holder of an Allowed Claim or an Allowed Interest.

L. Unclaimed Distributions

If Cash to be distributed under the Plan is not claimed by the Entity entitled thereto before the later of (i) one hundred and twenty (120) calendar days after the Distribution Date or (ii) one hundred and twenty (120) calendar days after an Order allowing the Claim of the Entity becomes a Final Order, such Cash shall be deposited into the Unsecured Claim Fund.

M. Set-offs

The Plan Administrator may, but shall not be required to set-off against the Distributions to be made pursuant to the Plan, the claims, obligations, rights, Causes of Action and liabilities of any nature that the Debtor, or the Estate may hold against the Holder of an Allowed Claim, provided, however, that neither the failure to effect such a set-off nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor or the Estate of any such claims, obligations, rights, causes of action and liabilities that the Debtor or Estate has or may have against such Holder.

N. Diminimus Distributions

No distribution of less than \$10.00 shall be made to any Holder of a Claim.

O. Rejection of Executory Contracts or Unexpired Leases

The entry of the Confirmation Order shall constitute approval to reject any executory contract or unexpired lease, to the extent such Executory Contract or Unexpired Lease were valid and in effect as of the Petition Date have not been previously rejected by the Debtor pursuant to order of the Bankruptcy Court. The party to any such executory contract or unexpired lease shall file a proof of claim within thirty (30) days of the Effective Date or be forever barred from making a claim or receiving a distribution with respect to such claim. Allowed Claims for damages arising out of the rejection of any such Executory Contract or Unexpired Lease shall be General Unsecured Claims.

VI. RELEASES AND INJUNCTION

A. Injunction

Except (i) as otherwise provided in the Plan or (ii) as otherwise provided under Final Order entered by the Bankruptcy Court, the entry of the Confirmation Order shall forever stay, restrain and permanently enjoin (i) the commencement or continuation of any action, the employment of process or any act to collect, enforce, attach, recover or offset from the Debtor or from property of the Debtor, (ii) the creation, perfection or enforcement of any lien or encumbrance against any property of the Debtor or any property distributed under the Plan, or (iii) any Claim or Interest discharged, released or satisfied under the Confirmation Order, the Plan or pursuant to section 1141(d)(1) of the Bankruptcy Code.

B. Limitation of Liability

Except with respect to conduct on or after the Effective Date, neither the Debtor, nor any of its employees (acting in such capacity) nor any professional person employed by it, shall have incurred or will incur any liability to any Entity for any action taken or omitted to be taken in connection with or related to the formation, preparation, dissemination or Confirmation of the

Plan, the Disclosure Statement, or any contract, instrument, release or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with Chapter 11 Case or the Plan, except in the case of willful misconduct, fraud, gross negligence or legal malpractice.

C. No Release of Plan Obligations

Nothing in the Plan's Article XI shall operate to release any Person from the obligations expressly contemplated by the Plan.

D. Plan and Confirmation Order as Release

From and after the Effective Date, a copy of the Confirmation Order and the Plan shall constitute and may be submitted as a complete defense to any claim or liability released pursuant to this Article XI of the Plan.

VII. EXCULPATION

Except with respect to conduct on or after the Effective Date, each retained Professional of the Debtor or the Committee, and each member of the Committee, is hereby exculpated by all persons, Holders of Claims, entities, and parties-in-interest receiving distributions under the Plan, from any and all causes of action, liabilities or claims of any sort arising on or after the Petition Date out of or in connection with (a) the case or (b) the discharge of the powers and duties conferred upon such person by the Plan, or by any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan or applicable law, except solely for actions or omissions arising out of their respective gross negligence or willful misconduct, fraud and legal malpractice. Holders of Claims, or representative thereof, shall not pursue any Claim, liability or cause of action (a) against the Plan Administrator for making payments in accordance with the Plan, or for implementing the provisions of the Plan, or (b) against any Holder of a Claim for receiving or retaining distributions or other payments as provided for in the Plan.

VIII. MISCELLANEOUS PROVISIONS

Compliance with Tax Requirements

In connection with the Plan, the Debtor shall comply with all withholding and reporting requirements imposed by federal, state and local taxing authorities with respect to the Distributions; provided, however, that the transfer of any Cash, property or other interest hereunder shall not be subject to any federal, state or local tax to the fullest extent provided under section 1146 of the Bankruptcy Code.

Due Authorization by Creditors

Each and every Creditor who elects to participate in the distributions provided for under the Plan warrants that it is the lawful owner of such Claim and is authorized to accept the distributions provided for in the Plan and that there are no outstanding liens, encumbrances, commitments, agreements or understandings, express or implied, that may or can in any way defeat or modify the rights released, conveyed or modified by the Plan, or obligations undertaken by such Creditor under the Plan.

Amendments

The Plan may be altered, amended or modified by the Debtor, in writing, at any time before the substantial consummation of the Plan, as provided in sections 1101 (a) and 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

Revocation

The Debtor may revoke or withdraw the Plan at any time prior to entry of the Confirmation Order. If the Plan is revoked or withdrawn or if no Confirmation Order is entered, the Plan shall be null and void, and nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against, or any interests in, the Debtor; or (ii) prejudice in any manner the rights of the Debtor in any further proceedings involving the Debtor.

Filing of Additional Documents

Except as otherwise provided in the Plan, on or before the Effective Date, the Debtor may file with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

Section Headings

The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor assign of such Entity.

Severability

If any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or enforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose and intent of the term or provision held to be invalid, void or unenforceable, and such term or provisions shall then be applicable as altered or interpreted, unless the consequence of doing so shall materially adversely alter the rights or obligations of the Person affected by any such change, in which event the consent of such Person shall be required in order to confirm the Plan. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected,

impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial interpretation and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms, provided that consents, if any, required by the first sentence of this Article VIII shall have been obtained.

Governing Law

Except to the extent that the Bankruptcy Code or Bankruptcy Rules or other Federal law are applicable, and subject to the provisions of any contract, instrument, release or other agreement or document entered into in connection with the Plan, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Connecticut without giving effect to the principles of conflict of laws thereof.

Time

In computing any period of time prescribed or allowed by the Plan, the day of the act or event from which the designated period begins to run shall not be included.

No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Plan or the Disclosure Statement shall be deemed to be an admission by the Proponent with respect to any matter set forth herein, including any liability on or treatment of any Claim.

IX. ALTERNATIVES TO THE PLAN

The only known alternatives to the Debtor's Plan would be conversion of the case from a chapter 11 to a chapter 7 liquidation of the Debtor's assets by a trustee or an outright dismissal of the chapter 11 case.

In the event of a liquidation under chapter 7, the likelihood of the collection of the accounts receivable would be severely diminished and the ability to market the Trucks, Trailers, 61 Industrial Park and other assets and obtain the benefit of these assets' actual value would be lost. The value of the assets would be substantially diminished to a point where unsecured creditors would get substantially less than they are likely to receive through the Plan. Attached hereto as **Exhibit B** is a Liquidation Analysis which lists all of the assets of the Debtor, values and compares the projected costs and recoveries of a liquidation through a Chapter 11 to the projected costs and recoveries from a liquidation through a Chapter 7.

Alternatively, if the Plan is not confirmed under Bankruptcy Code §1129, the Debtor's case could be dismissed. The Debtor believes that the dismissal of the chapter 11 case would result in piecemeal litigation and attachment of the Debtor's assets without bankruptcy court supervision. Such litigation, would in the Debtor's opinion, generate substantially less for creditors than sums which we realized under the Plan and resulting in inequitable recoveries among creditors.

For the reasons described above, the Debtor believes that the distribution to each impaired class under the Plan would be greater and earlier than distributions that might be received after a liquidation of the Debtor by a chapter 7 trustee.

The Debtor believes that the confirmation of the Plan is preferable to the alternatives described above because the Plan provides for an equitable, early distribution to creditors. Any alternative confirmation of Plan would result in significant delays and improbable diminution of recoveries.

X. CONFIRMATION HEARING

The Bankruptcy Code requires that the Bankruptcy Court, after notice, to hold a hearing on the confirmation of the Plan to consider whether the requirements of Section 1129 of the Bankruptcy Code have been met. The confirmation hearing has been scheduled for _____, 2017 A.M./P.M. The confirmation hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjourned date made at the confirmation hearing. Any objection to confirmation must be made in writing and filed with the Bankruptcy Court and served upon the following on or before _____, 2017:

Elizabeth J. Austin, Esq.
Jessica Grossarth Kennedy, Esq.
Pullman & Comley, LLC
850 Main Street
Bridgeport, CT 06604
Attorneys for the Debtor

Kari Mitchell
Office of the United States Trustee
Giaino Federal Building
150 Court Street, Room 302
New Haven, CT 06510

XI. RECOMMENDATION TO ACCEPT THE PLAN

FOR ALL THE REASONS SET FORTH IN THIS DISCLOSURE STATEMENT, THE DEBTOR BELIEVES THAT THE CONFIRMATION OF THE PLAN IS PREFERABLE TO ALL OTHER ALTERNATIVES.

XII. TAX CONSEQUENCES

The Debtor has not researched the federal tax income tax consequences of the Plan to Holders of Claims and Interests, based on the Internal Revenue Code. The Debtor has not requested a ruling from the Internal Revenue Service with respect to these matters. Accordingly,

no assurance can be given as to the interpretation of the Internal Revenue Service. Further, the federal income tax consequences to any particular Creditor or Interest Holder may be affected by matters not discussed herein. There also may be state, local or foreign tax considerations applicable to each creditor or holder of an interest. **EACH CREDITOR AND HOLDER IN INTEREST IS URGED TO CONSULT ITS OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN AND THE FEDERAL AND APPLICABLE STATE, LOCAL AND FOREIGN TAX LAWS.**

XIII. CONCLUSION

THE DEBTOR URGES ALL VOTING CLASS TO ACCEPT THE PLAN AND TO EVIDENCE SUCH ACCEPTANCE BY RETURNING THEIR BALLOT SO THAT THEY WILL BE RECEIVED BY _____, 2017.

Dated at Bridgeport, Connecticut this 20th day of October, 2017

BAILEY'S EXPRESS, INC.

By: /s/David Allen
David Allen, Its CFO

By: /s/Elizabeth J. Austin
Elizabeth J. Austin (ct04384)
Jessica Grossarth Kennedy (ct23975)
Pullman & Comley, LLC
850 Main Street
Bridgeport, CT 06604
(203) 330-2000
eaustin@pullcom.com
jgrossarth@pullcom.com
Counsel to Bailey's Express, Inc.