

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE:	§	
	§	
DALLAS ROADSTER, LIMITED	§	BANKRUPTCY NO. 11-43725
	§	
Debtor	§	BANKRUPTCY NO. 11-43726
	§	
	§	JOINTLY ADMINISTERED UNDER:
IN RE:	§	Case No. 11-43725
	§	
IEDA ENTERPRISE, INC.	§	
	§	
	§	Chapter 11
Debtor	§	
	§	

SECOND AMENDED DISCLOSURE STATEMENT

I. INTRODUCTION

DALLAS ROADSTER, LIMITED (“Dallas Roadster”), a partnership, filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, on December 12, 2011 (the “Petition Date”). Since that time, the Debtor has operated as a Debtor-in-Possession pursuant to the provisions of 11 U.S.C. §§ 1107 and 1108. Dallas Roadster operates a car dealership.

IEDA ENTERPRISE, INC. (“IEDA Enterprise”), a corporation, filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, on December 12, 2011 (the “Petition Date”). Since that time, the Debtor has

operated as a Debtor-in-Possession pursuant to the provisions of 11 U.S.C. §§ 1107 and 1108. IEDA Enterprise is the general partner for Dallas Roadster.

A. THE PLAN

Dallas Roadster has submitted a proposed Plan of Reorganization (the “Plan”), the form of which is attached as **Exhibit A**. Capitalized terms, not otherwise expressly defined, are defined in Article I of the Plan.

Dallas Roadster and IEDA Enterprise are collectively referred to herein as Debtor. Their respective cases are being jointly administered pursuant to an Order of the Bankruptcy Court. As Dallas Roadster’s general partner, IEDA Enterprise is liable for all debts of Dallas Roadster. Thus, to the extent claims against Dallas Roadster are addressed by the Plan, IEDA Enterprise’s liability on those claims will be resolved. The claims addressed by IEDA Enterprise include only those claims that have not been asserted against Dallas Roadster.

B. PURPOSE OF DISCLOSURE STATEMENT:

This Disclosure Statement is distributed pursuant to the provisions of § 1125 of the Bankruptcy Code which requires that there be submitted to holders of claims against the Debtor, a copy of any Plan, or a summary of such Plan, and a written Disclosure Statement containing information adequate to enable creditors and other interested parties to make an informed judgment regarding the Plan, if their acceptance of the Plan is being solicited. The Disclosure Statement must be approved by the Bankruptcy Court after notice and hearing, prior to the solicitation of acceptance votes of creditors or interest holders.

NO REPRESENTATIONS CONCERNING THE DEBTOR, THE VALUE OF ITS PROPERTY, OR THE VALUE OF ANY BENEFITS OFFERED TO THE HOLDERS OF CLAIMS IN CONNECTION WITH THE PLAN ARE AUTHORIZED BY THE DEBTOR

OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. YOU SHOULD NOT RELY UPON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE THAT ARE CONTRARY TO INFORMATION CONTAINED IN THIS DOCUMENT, AND ANY SUCH REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR DEBTOR, J. BENNETT WHITE, J. BENNETT WHITE, P.C., 1011 PRUITT PLACE, TYLER, TX 75703.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND NEITHER THE DELIVERY OF THIS STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION HERewith SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS NOT BEEN A CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF.

EXCEPT WHERE EXPRESSLY NOTED OTHERWISE, THE STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE MADE BY THE DEBTOR AND REPRESENT THE VIEWS, CHARACTERIZATIONS, AND ALLEGATIONS OF THE DEBTOR. THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT IS NOT A DETERMINATION OF THE CORRECTNESS OR ACCURACY OF ANY STATEMENT CONTAINED HEREIN.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN INDEPENDENTLY AUDITED, AND IS BASED, IN PART, UPON RECORDS KEPT BY DEBTOR'S PERSONNEL AND UPON INFORMATION PREPARED OR SUPPLIED BY PARTIES OTHER THAN THE DEBTOR. CONSEQUENTLY, THE DEBTOR IS UNABLE TO WARRANT THAT ALL OF THE INFORMATION CONTAINED HEREIN IS WITHOUT

ANY INACCURACY, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO BE ACCURATE.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OF REORGANIZATION, NOR DOES SUCH APPROVAL CONSTITUTE A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

C. BRIEF EXPLANATION OF CHAPTER 11:

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, a Debtor is able to either attempt to reorganize its business for the benefit of itself, its creditors, and other parties in interest, or to effect a controlled liquidation that often realizes a higher value for the assets sold than would be the case in a Chapter 7 liquidation. Confirmation of a Plan is a principal purpose of a Chapter 11 reorganization case. A Plan sets forth the means for satisfying, to the extent possible, claims against a Debtor.

After a Chapter 11 Plan has been filed in a proceeding, the holders of claims against or an interest in a Debtor whose claims or interests will be adversely affected by the Plan must be given the opportunity to vote to accept or reject the Plan. In an effort to insure that those parties with an opportunity to vote possess sufficient information to make an informed judgment about the proposed Plan, § 1125 of the Bankruptcy Code requires disclosure of adequate information

prior to the time during which the Debtor, creditors, and other parties in interest may solicit acceptances or rejections of the proposed Plan. This Disclosure Statement is presented to the holders of claims against or interests in the Debtor in order to satisfy the requirements of § 1125 of the Bankruptcy Code.

The Bankruptcy Code provides that claimants and interest holders are to be grouped into “classes” under a plan, and that they will vote to accept or reject a plan by class. While bankruptcy courts have expressed various methods to be used in classifying claimants, a general rule of thumb is that creditors and interest holders with similar legal rights are placed together in the same class. For example, all Creditors entitled to priority under the Bankruptcy Code might be placed in one class, while all creditors holding general unsecured claims might be placed in a separate class.

Chapter 11 does not require that each holder of a claim against the Debtor 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 class of claims. The Plan is deemed accepted by a class of claims if the Plan is accepted by a majority in number and two-thirds in dollar amount of the claims of such class actually voting in connection with the Plan. If all classes of claims and interests accept the Plan, the Bankruptcy Court may refuse to confirm the Plan if either the Plan or the Debtor fails to comply with all applicable provisions of the Bankruptcy Code, the Plan has not been proposed in good faith or by lawful means, or for other reasons set forth in § 1129 of the Bankruptcy Code.

Conversely, the Bankruptcy Court may confirm the Plan even though less than all of the classes of claims and interests accept the Plan. The circumstances under which the Bankruptcy Court may confirm the Plan over the objection of one or more classes of claims or interests are set forth in § 1129(b) of the Bankruptcy Code and, among other requirements, include the

requirement that the Bankruptcy Court find, with respect to each class that does not accept the Plan, that the Plan does not discriminate unfairly against such class, is fair and equitable to such class, and generally that the value to be distributed to the members of such class will not be less than the amounts that holders of claims or interests in such class would receive if the Debtor liquidated under Chapter 7 of the Bankruptcy Code. The Debtor will seek confirmation of the Plan under § 1129(b) of the Bankruptcy Code if less than all classes accept the Plan.

Confirmation of the Chapter 11 Plan discharges the Debtor from all its debts which arose prior to confirmation except as provided in the Plan, the Order of Confirmation, or § 1141(d) of the Bankruptcy Code. Confirmation of the Chapter 11 Plan makes the Plan binding upon the Debtor, its creditors, and all parties regardless of whether or not they have accepted the Plan of Reorganization.

D. FILING PROOFS OF CLAIM OR INTEREST

In order to participate in the payments and other distributions specified in the Plan, a Creditor must have an Allowed Claim against, or Interest in, the Debtor. An Allowed Claim is generally established by filing a Proof of Claim or Interest.

A Proof of Claim or Proof of Interest is deemed filed for any Claim or Interest that appears in the Schedules that were filed in the case, except for those Claims or Interests scheduled as disputed, contingent, unliquidated, or in an unknown amount.

Claims or Interests that are unscheduled, or that are scheduled as disputed, contingent, or unliquidated, or which vary in amount from the amount scheduled by the Debtor, shall be recognized and allowed only if a Proof of Claim or Interest is timely filed. The deadline for filing proofs of claim by non-governmental claimants is April 19, 2012.

E. CONFIRMATION HEARING ON THE PLAN

Section 1128(a) of the Bankruptcy Code requires the Court, after notice, to hold a hearing on confirmation of a plan of reorganization. The Court will schedule the Confirmation Hearing on the Plan before the Honorable Brenda T. Rhoades, United States Bankruptcy Judge, in the courtroom of the United States Bankruptcy Court, 660 N. Central Expressway, 3rd Floor, Plano, Texas 75074.

Section 1128(b) of the Bankruptcy Code provides that a party-in-interest may object to confirmation of the Plan. Any objection to confirmation of the Plan must be in writing. Written objections to confirmation of the Plan, if any, must be filed with the Court and a copy of such written objection must be actually received by counsel for the Debtor seven (7) days prior to the confirmation hearing. Objections that are not timely filed and actually received by the Debtor's counsel will not be considered by the Court.

II. NATURE AND HISTORY OF THE DEBTOR

Dallas Roadster, Limited ("Dallas Roadster") started operations sixteen (16) years ago in a small warehouse in Richardson, Texas. The business was started by its principal owners, Bahman Hafezamini ("Ben Amini") and Bahman "Ben" Khobahy. Both had extensive experience in automotive sales and service prior to beginning their partnership. The stated business plan was to provide sales and limited service of pre-owned, high-end, Japanese and European motorcars.

Operations of Dallas Roadster were profitable from its inception. The business was capitalized by its partners without the use of any credit facilities. The initial year of operations resulted in the sale of 5-10 vehicles per month with service performed on vehicles sold at the dealership, and grew to nearly 20 vehicles per month. In the second year of operations, Dallas

Roadster purchased an adjacent property to expand their service capabilities. At that time, Dallas Roadster increased its ability to sell additional vehicles and opened its service operations to the public.

The business continued to expand and in the third year of operations had outgrown its location. A property was purchased in Plano, Texas in order to accommodate the growth in volume and to provide an additional showroom facility. At that time, Dallas Roadster was able to obtain a small floor plan loan. With the expanded facilities and loan credit, Dallas Roadster's volume grew to 30-35 vehicles per month.

In the fifth year of operations, Dallas Roadster again expanded its operations by purchasing additional land in Plano and building a body shop and garage to expand its service capabilities. In addition, a "buy here, pay here" seller financing operation was started which allowed for the capture of a greater market share. During this time frame, Texas Capital Bank became the primary funding source for Dallas Roadster's operations. Texas Capital Bank provided all financing and was the primary depository for all of Dallas Roadster's business operations. At all times, Dallas Roadster was profitable and strong financially.

Over the ensuing eleven (11) years, Dallas Roadster continued to increase its sales volume, its revenues, its profits, and credit facilities to run its operations. Dallas Roadster established relationships with third-party primary and sub-prime auto lending providers and continued to expand its seller financing business line. Gross revenues increased from approximately \$2,000,000 in its first year to more than \$20,000,000 in 2010. Until its operations were interrupted by Texas Capital Bank in November, 2011, it was on pace for approximately \$30,000,000 in revenue for that year. At no time was Dallas Roadster delinquent in any way on any loan or credit facility with Texas Capital Bank.

The recent recession, created in part by the melt down in the sub-prime and real estate markets, provided an opportunity for Dallas Roadster's skilled management team to further expand its business. Gross revenues in 2008 were \$11,500,000 and were on track to increase to \$30,000,000 in 2011, during a time when many of its competitors struggled to maintain operations. Dallas Roadster, through its executive management, Ben Amini and Ben Khobahy, implemented a plan to increase the "buy here, pay here" program in order to take advantage of the credit gap created by the problems in the sub-prime lending market. They endeavored to place people in vehicles they could afford and finance the purchase for a short period (36 months or less). This strategy proved effective in capturing a large percentage of those who came to them seeking to purchase a vehicle.

Dallas Roadster boasts a strong internet sales track record. Ninety percent (90%) of the businesses advertising revenue is spent on internet related business. Dallas Roadster enjoyed the highest rating on dealerrater.com, a website that compiles customer reviews and ratings, prior to November 2011.

Based on its sustained success, Dallas Roadster was seeking to expand its footprint yet again in 2011. The principals were in negotiations for a Mitsubishi dealership, were prepared to purchase new software, had hired financial consultants for the provision of warranties, and were in the process of finding a new location for the expansion. However, beginning in 2008, Texas Capital Bank became incrementally adversarial in its lending relationship with Dallas Roadster, culminating in November, 2011 when Texas Capital Bank filed a lawsuit against Dallas Roadster and sought the appointment of Patrick Michaels as Receiver over Debtor's assets. The increasingly debilitating and openly hostile relationship with Texas Capital Bank halted all expansion capability and ultimately led to the filing of this bankruptcy proceeding.

III. CIRCUMSTANCES LEADING TO CHAPTER 11 FILING

[Except where expressly noted otherwise, the statements contained in this Section and throughout the Disclosure Statement relating to Texas Capital Bank constitute the allegations, characterizations, conclusions, and claims asserted by the Debtor, solely represent the position of the Debtor, and are disputed by Texas Capital Bank. Ultimately, the Bankruptcy Court, or another court with jurisdiction, will determine whether the allegations and claims have any merit. Any Order approving the Debtor's Disclosure Statement does not constitute any determination regarding the allegations, characterizations, conclusions, and claims made by the Debtor.]

Texas Capital Bank provided the vast majority of financing for Dallas Roadster. It provided the floor plan loans and all real estate loans as well as serving as the primary depository for the business. Texas Capital Bank had enjoyed the benefits of the relationship with Dallas Roadster for twelve (12) years. During that time period, Dallas Roadster was never behind on a payment of any debt service and never violated any of its loan covenants with Texas Capital Bank.

After a change in lending personnel at Texas Capital Bank in 2008 due to the sub-prime market fiasco, Texas Capital Bank inexplicably downgraded its loans with Dallas Roadster. This action resulted in implementation of onerous covenants, rising interest rates, and shorter maturity dates. While this action worked a hardship on Dallas Roadster, its expanding business and savvy management team dealt with each obstacle, kept all loans current, and continued to grow the businesses revenues. In November of 2010, Texas Capital Bank implemented a daily audit of all of Dallas Roadster's financial transactions. An auditor was placed on site and monitored all transactions. Also, daily inspections of Dallas Roadster's inventory were performed by Texas

Capital Bank. Again, no impropriety was found and Dallas Roadster maintained all of its loans. During this time period, Texas Capital Bank encouraged the management of Dallas Roadster to seek financing from another lending institution.

Dallas Roadster sought alternate financing of its operations due to the request of Texas Capital Bank and to avoid the disruption caused by the increasingly adversarial nature of their business relationship. A new floorplan loan was negotiated by Dallas Roadster with a lender that offered inferior loan terms, but was willing to provide access to capital to fund its expansion plans. Despite its prior urging of Dallas Roadster to seek alternative financing, Texas Capital Bank obstructed Dallas Roadster's attempts to honor the bank's directive by refusing to sign an intercreditor agreement with the proposed replacement lender thus thwarting Dallas Roadster's attempts to move its loans. Texas Capital Bank then asserted that Dallas Roadster was in breach of its loan agreement by its attempts to locate a new lender.

In November of 2011, Ben Amini was indicted for money laundering. The allegations on which the indictment was based were demonstrated to be untrue and the charges were later dismissed. However, Texas Capital Bank, which was aware of the nature of the allegations by virtue of its cooperation with federal law enforcement authorities, filed for and was granted a receivership in state court in Dallas County, Texas. Pursuant to the receivership order, a court-appointed receiver took possession of all Dallas Roadster's assets and began liquidating its inventory. Dallas Roadster was forced to declare bankruptcy in order to regain possession of its assets and to protect its business from being obliterated by Texas Capital Bank.

Statement of Texas Capital Bank

[The following statement is made by Texas Capital Bank and is inserted in this disclosure statement at the request of Texas Capital Bank. It does not represent the views of the Debtor.]

Texas Capital Bank, N.A. ("TCB") strongly disputes the various allegations, statements, and conclusions made by Dallas Roadster related to TCB and the actions taken by TCB regarding Dallas Roadster. The loans from TCB to Dallas Roadster matured and were due and payable on March 15, 2011. At that time, TCB did not enforce collection of the loans, as it was entitled, but agreed to extend the maturity date to September 15, 2011, which granted additional time to Dallas Roadster to pay off the loans.. In September, TCB again did not enforce collection of the loans but agreed to extend the maturity date to December 15, 2011. The lawsuit filed by TCB in November, 2011, and the appointment by the 192nd District Court of a Receiver over the assets of Dallas Roadster, occurred after a federal grand jury had returned an indictment against Bahman Hafezamini, a co-owner of Dallas Roadster, and Jose Jimenez, an employee of Dallas Roadster. The indictment states that Hafezamini and Jimenez engaged in four counts of money laundering whereby they sold cars to individuals represented to be involved in illegal trafficking of controlled substances and arranged to title the transactions in the names of third parties in order to conceal the source of payment and ownership of the vehicles and to ensure that the transactions were not reported to federal authorities. In addition, Hafezamini was arrested and the Drug Enforcement Administration and law enforcement conducted a raid at the premises of Dallas Roadster and seized business records and assets of Dallas Roadster. The indictment against Hafezamini was later dismissed on August 9, 2012, without prejudice to refiling, based upon the agreement by Hafezamini to be placed in a pretrial

diversion program under the supervision of the United States Probation Office. Dallas Roadster and its owners, and not TCB, were the cause of any problems suffered by Dallas Roadster and its decision to file bankruptcy. After the bankruptcy filing on December 12, 2011, the actions taken by Dallas Roadster to sell approximately \$2,000,000 of its vehicle inventory to pay off the principal and interest due under the Vehicle Note, to borrow additional funds from TCB to pay operating expenses, and the terms and conditions upon which Dallas Roadster would be permitted to use the cash collateral of TCB, were all undertaken pursuant to agreements made by Dallas Roadster and approved by orders entered by the Bankruptcy Court.

IV. EVALUATION OF THE DEBTOR

Dallas Roadster is poised to generate significant positive cash flow from its present operations. As demonstrated in its pro forma, operations will achieve consistent net profits providing free cash flow to service the plan.

The expertise provided by Ben Amini and Ben Khobahy have served the Debtor well. The expansion of the operation and track record of profitability regardless of market conditions could only have been navigated through skillful and opportunistic management. Moreover, the negative relationship with Texas Capital Bank has added an element of significant difficulty to profitable management. The fact that Dallas Roadster is poised to meet its obligations, both long-term and short-term, and rebuild its business, plainly illustrates the exceptional competence of Ben Amini and Ben Khobahy as dealership operators.

Post-petition operations were skewed in January and February of 2012 due to a forced liquidation. Monthly Operating Reports for January and February show total receipts of \$1,510,004 and \$1,339,858 respectively which are reflective of the liquidation. In March of 2012, Ben Amini was able to resume a leadership position alongside Ben Khobahy. This

allowed for operations to progress towards stabilization and created a clearer picture of the present operations of Dallas Roadster with some fluctuation in sales from March through May.

From March 2012 through August 2012, total receipts have fluctuated between a low of amount of \$468,405 (May) to a high amount of \$628,536 (August). A significant operational loss occurred in May due to a slow sales month, the implementation of stable operations reflected in the associated costs of advertising, management, appropriate staffing, and the use of cash on hand to replenish depleted inventory. Dallas Roadster operates on a cash-on-delivery basis, meaning inventory is purchased from the cash generated by a monthly sales cycle. As sales increase, Dallas Roadster is able to purchase additional inventory which leads to increased sales. For instance, the sale of 30 vehicles in a monthly time frame will produce enough revenue to purchase 40 vehicles to replace the inventory sold and provide additional inventory to expand business operations. In the event of a slow sales month, Dallas Roadster will have to utilize cash on hand to replenish inventory and continue the expansion of its core business. This is demonstrated in the month of May 2012 where sales receipts were less than expected, but Dallas Roadster purchased additional inventory in order to prepare for growth during the upcoming months.

Operations stabilized in June of 2012. Net profits for the months of June, July, and August generated an aggregate net profit of \$42,074. This represents an average monthly net profit of \$14,024. In addition to the profits generated by stabilized operations, Dallas Roadster has serviced a Debtor-In-Possession loan in the amount of \$41,000 per month while meeting all operational expenses and increasing inventory. As reflected in its pro forma projections, Dallas Roadster will generate monthly net profits in excess of \$60,000 per month post confirmation while operating at the same pre-confirmation level of sales. At present, Dallas Roadster's

margins are sufficient to pay all operating expenses, meet its loan obligations, purchase inventory, and provide sufficient cash flow to meet its plan obligations.

Dallas Roadster's revenue consists of the sale of vehicles and collections on in-house financing established prepetition. Dallas Roadster is currently selling 24-30 vehicles per month. In spite of the current inability to add additional revenue streams, Dallas Roadster has proven an ability to create profits under normalized operating conditions. Current management will continue to grow its vehicle sales and has recently begun an in-house financing program that will increase revenues in collected accounts receivable. The in-house financing program will initially produce 5-10 additional sales per month with revenues from such sales being reflected in an increase in collections of accounts receivable. The added revenue from increased sales and financings will result in additional net profits in the coming months and years.

Dallas Roadster will seek to reestablish floor plan financing and relationships with third party financing sources post-confirmation. However, the ability to obtain such financing is not vital to the continued profitability of the business. Current management has been engaged in discussions with Chase, DATCU, Sierra, and Gateway Financial for the provision of third party financing for vehicle sales. All were third party financing sources prior to the events leading to this bankruptcy proceeding. The discussions have been positive pending confirmation of this plan. In fact, DATCU has committed to provide third party financing pre-confirmation. Current management has held discussions with AFC Financial who had previously approved Dallas Roadster for a floor plan loan. AFC Financial has indicated a willingness to provide floor plan financing upon evaluation post confirmation. The significance of reestablishing these relationships is the ability of Dallas Roadster to grow its business by increasing inventory and adding additional revenue streams in the form of financing fees, warranty sales, sale of gap

insurance, credit life insurance, sale of aftermarket add-ons, and increased in-house financing. As an added measure of establishing the feasibility of its Plan, two individuals, Alberto Dal Cin and Massoum Mirzai, have offered to provide up to \$500,000 each in post-confirmation financing with the terms of such lending remaining to be negotiated. Debtor's projections, attached to the Plan as Exhibit 1, demonstrate that the Plan is viable and can be implemented without such financing; however, the availability of this potential capital (a) adds a measure of flexibility that serves only to enhance Debtor's prospects for success and (b) demonstrates the confidence of these prospective lenders in the feasibility and viability of Debtor's Plan.

Dallas Roadster's most recent monthly operating report identified assets with a value of \$5,665,722. The balance of its secured liabilities was reported to be \$1,896,827. Thus, with a secured debt to total assets ratio of approximately 34%, Dallas Roadster should have viable options for attracting future capital.

Prior to the events leading to this bankruptcy, Dallas Roadster reported the following to the IRS:

	2008	2009	2010
GROSS SALES	\$11,435,815	\$15,791,408	\$21,213,075
COSTS OF GOODS	(\$9,515,517)	(\$13,223,780)	(\$18,962,243)
GROSS PROFIT	\$1,920,298	\$2,567,628	\$2,250,832

As demonstrated above, Dallas Roadster, when operating at full operational capacity is capable of sustained growth in excess of 30% per year. Dallas Roadster has the relationships and financial capacity to attain the levels of revenue, profit, and growth shown by its prepetition

operations. Dallas Roadster established and maintained a significantly profitable enterprise from its inception. At inception, Dallas Roadster was a true start-up company with no experience in ownership of a dealership (though extensive experience in the industry), was self-funded, and had no market visibility. Today, Dallas Roadster sets out to rebuild its business to pre-petition levels with sixteen years of successful operational experience, financial relationships in place and being re-established, and with technology previously unavailable to it in the building process. This advanced “starting point” provides a strong foundation for the viability of Dallas Roadster’s business prospects and indicates that management will be able to achieve its prior levels of sales and profitability.

As of September 30, 2012, Debtor’s tangible assets (exclusive of cash) consisted primarily of: land, vehicle inventory, notes receivable, and equipments, office contents, parts, and supplies. Estimated fair market values of these assets are:

Land			
	404 N. Central Expy Richardson	\$730,000	
	825 Ave. K Plano	\$750,000	
	905 Ave. K Plano	\$950,000	
	10 th St. Plano	\$220,000	
	524 Bishop Ave. Dallas	\$242,190	
	529 N. Interurban St. Dallas	\$105,360	
Total Land			\$2,997,550
Vehicle Inventory			\$1,185,012
Notes Receivable			\$1,314,815
Shop Equipment			\$100,000
Office Equipment and Furnishings			\$50,000
Parts & Supplies			\$20,000

Total			\$5,667,377
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The estimated values for the land at 404 N. Central, 825 Ave. K, 905 Ave. K, and 10th Street are derived from appraisals performed in May, 2012 by Christopher McDade of McDade & Company. The estimated values for the land at 524 Bishop and 529 N. Interurban are based on the current tax value established by the Dallas County Appraisal District. The value for vehicle inventory is reflected at actual cost. The value for notes receivable is based on the current principal balance owed Debtor for notes held by it. The values for office equipment, shop equipment, parts, and supplies are based on estimates by management.

Based on the same sources, Texas Capital Bank's collateral is estimated to have a present fair market value of at least \$5.3 million.

V. OVERVIEW OF PLAN

The Plan is based on Dallas Roadster continuing its operations largely as it has in the past. Payment of all claims against Debtor is made from revenue generated by Debtor's operations. Debtor's Plan proposes full payment of all Allowed Claims. The proposed Plan, attached as Exhibit A, contains estimates of the amount of claims in each Class and sets forth the manner in which the claims in each Class will be paid. Although the business is currently able to leverage only a fraction of the capital it had available to it a year ago, it enjoys a management team that is experienced in building a thriving business with the same operational strictures it faces today.

A. Discussion of Select Classes

The following statements are intended to provide additional information concerning the background, characterization, treatment, and nature of certain Classes contained in the Plan. Although the schedules reflect general unsecured claims for Ben Amini and Ben Khobahy, those

claims are not intended to be included in Class 5 and the Plan does not contemplate any treatment of those unsecured claims.

Class 7 – Investors: Over the time Debtor has been in business, certain individuals known to Debtor’s principals have loaned it money. None of these loans are in writing and there are no explicit repayment terms. There is no indication that any member of this Class is expecting the prompt or immediate repayment of principal. These unsecured creditors are differentiated from the general unsecured creditors (Class 5) because the general unsecured creditors provided credit with the expectation of full repayment on an immediate basis, whereas the Class 7 claimants have been satisfied with the quarterly payment of interest on the money loaned. The Class 7 claimants are categorized as unsecured creditors, rather than equity holders, because each of the individuals will eventually expect the loan to be repaid and none has ever intended to acquire a partnership interest in Debtor by the funds previously advanced.

The total amount of claims in Class 7 is \$735,000. There is no dispute about the amount of funds advanced by any member of the Class. None of the members of this Class is an insider of Dallas Roadster¹, although two members, Ali Hafezamini and Rahim Hafezamini, could be considered as insiders of IEDA Enterprise². Rahim Hafezamini is Ben Amini’s brother and has an allowed Class 7 Claim in the amount of \$12,000. Ali Hafezamini is Ben Amini’s cousin and has an allowed Class 7 Claim in the amount of \$135,000.

Class 8 – Alberto Dal Cin: The statements in the Plan concerning the nature of the claims presented by Alberto Dal Cin, DLP Enterprises, and American Five Trading (“Dal Cin”)

¹ For a partnership, 11 U.S.C. § 101(31)(C) defines “insider” as including general partner (IEDA), relative of general partner, partnership in which Debtor is a partner, or person in control of Debtor. “Relatives” include persons within the third degree of consanguinity. 11 U.S.C. § 101(45).

² For a corporation, 11 U.S.C. § 101(31)(B)(vi) includes relatives of corporate officers.

represent Debtor's contentions and are disputed by Dal Cin. Debtor maintains that Dal Cin has been financially involved with Debtor over many years. During a time when Debtor was previously pursuing an expansion of its dealership, Dal Cin provided funds with the intention of becoming a partner in the new enterprise. Dal Cin has also historically loaned money to Debtor and has received repayment of moneys loaned or payments toward moneys loaned in the past. In April, 2011, Dal Cin agreed to become a one-third partner in Dallas Roadster, Limited. As consideration for the purchase of his partnership interest, he agreed to use \$1,175,000 from funds previously provided by him and to pay an additional \$300,000. He later paid the additional \$300,000. In addition to the total \$1,475,000 provided by Dal Cin for his one-third partnership interest, he advanced a loan in the amount of \$225,000. Prior to the bankruptcy filing, Debtor repaid \$150,000 of the \$225,000 loan, leaving a balance of \$75,000 owed on that loan. The loan balance is considered to be part of Class 5 (General Unsecured Claims).

Dal Cin has indicated that in light of the events during the last year, he would prefer to be repaid for the funds previously loaned/invested by him. He has filed unsecured claims in the amount of \$1,073,000 (Alberto Dal Cin), \$50,000 (DLP Enterprises), and (\$231,091.14) in the Dallas Roadster case and for \$973,000 (Alberto Dal Cin) and (\$231,091.14) in the IEDA Enterprise case. Debtor's position is that the claims in the two cases are duplicative and the Debtor's Plan is to address Dal Cin's entire claim in the Dallas Roadster case.

In conjunction with, and as part of, the funds previously contributed by Dal Cin, two (2) real estate parcels were purchased for the potential expansion of the dealership (524 Bishop Ave. and 529 N. Interurban St.). Although legal title to these two tracts was taken in Dal Cin's name, Debtor claims equitable title based on its agreements with Dal Cin. During the time title to those tracts has been held by Dal Cin, Debtor has made certain payments consistent with its claim to

equitable title. Particularly, Debtor has made some, if not all, payments for ad valorem taxes, debt service, and utilities. Debtor recently amended its schedules to reflect its claim of ownership of these tracts.

Debtor acknowledges that Dal Cin disputes Debtor's version of these events. Accordingly, Debtor's Plan characterizes Dal Cin's Class 8 Claim as an unsecured claim to be repaid in the amount of whatever is determined to be his net investment in Dallas Roadster. The Plan contemplates that his net investment will be repaid by monthly payments in the amount of \$8,000 each. Meanwhile, the general unsecured creditors (Class 5) are repaid over thirty-six (36) months beginning in the third month after the Effective Date. Thus, Debtor's Plan proposes payment to Dal Cin over a much longer period of time than general unsecured creditors.

Classes 11 & 12 – Subrogation Rights: Classes 11 and 12 both relate to contingent claims. Class 11 (Co-Obligor Claims) provides that those creditors for whom the Debtor is a guarantor (or is otherwise liable in a derivative capacity) shall retain their ability to seek payment from the Debtor in the event the primary obligor fails to make payment when due. The Plan states that the Debtor shall have a right of subrogation in the event it is required to make any payments by virtue of its contingent liability. Debtor's intention is that it (Debtor) would be entitled to "stand in the creditor's shoes" vis-à-vis that creditor's right to collect from the primary obligor to the extent of the payment made by Debtor and Debtor's subrogation right would be *pari passu* with the creditor (to the extent creditor is still owed any portion of its Claim).

Class 12 is the inverse of Class 11. Class 12 (Indemnity Claims) provides for any party secondary liable on a claim against Debtor (such as a guarantor) would be entitled to seek contribution or indemnity from the Debtor to the extent such party makes a payment by virtue of

that party's contingent liability on an indebtedness where Debtor is primarily liable. The Plan states that the person making such payment would have a right of subrogation against Debtor's assets or against collateral securing the indebtedness owed. Debtor's intention is that such subrogation right would be *pari passu* with the creditor (to the extent creditor is still owed any portion of its Claim).

VI. MEANS OF IMPLEMENTATION OF THE PLAN

Dallas Roadster will implement its Plan by continuing operations as it has in the past and by resuming its efforts to acquire new floorplan financing. During the time this bankruptcy case has been pending, Dallas Roadster's operating flexibility has been greatly hampered. For instance, Texas Capital Bank has imposed restrictions on Dallas Roadster concerning its ability to sell and purchase vehicles that have not been consistent with profit maximization. In January and February, 2012, Dallas Roadster liquidated approximately \$2,000,000 worth of vehicles in order to placate Texas Capital Bank. By doing so, Dallas Roadster was able to reduce its debt burden, but also lost the ability to leverage the capital represented by those vehicles. The Plan contemplates that onerous operating restrictions imposed by Texas Capital Bank will be removed, thus providing Dallas Roadster with a greater opportunity to return to its previous profitability than has been available to it while this Bankruptcy Case has been pending.

Debtor's sixty (60) month projection, attached to its Plan as **Exhibit 1**, demonstrates how Debtor anticipates and estimates its sales growth, along with the expenses that must be paid in order to continue operating. Debtor's projections demonstrate that with the conservative sales' growth projected, it will have ample funds to pay its expenses, meet its Plan obligations, increase its internally-financed sales, and grow its volume of inventory.

VII. FEASIBILITY

Dallas Roadster submits that its Plan is feasible. Early in the Bankruptcy Case, Texas Capital Bank agreed to extend \$400,000 of Debtor in Possession (“DIP”) financing. That amount was later increased by a slight amount. This DIP financing was to be repaid at the rate of \$40,000 per month. For the past several months, Dallas Roadster has afforded this payment from its available cash flow and will retire this debt at confirmation, if not before.³ The payments required by the Plan are estimated to be less than \$25,000 per month; therefore, Dallas Roadster’s current cash flow, as indicated in its pro forma and monthly operating reports, should provide adequate funding for the proposed Plan. Accordingly, Dallas Roadster considers the Plan feasible.

VIII. ALTERNATIVES TO PROPOSED PLAN

The primary alternative to the proposed Plan would be for Dallas Roadster to completely liquidate. Obviously, this Bankruptcy Case was commenced exactly to prevent that from occurring at the hand of the court-appointed receiver. Although there should be sufficient assets on hand to pay all creditors in full in the event liquidation was to occur, there is no way to estimate the negative impact on the sales proceeds actually received in a liquidation scenario. It is well within the realm of possibility that the discount that would be realized in the event of a forced liquidation would result in such a shortfall that all creditors would not be paid in full. Moreover, there is no possibility that the equity holders fare as well by liquidation as they do by continuing operations under the proposed Plan.

³ Debtor’s projections presume Month 1 to correspond to January, 2013. If confirmation occurs later, then the DIP loan payment would be \$10,600 if confirmation occurs in February, 2013 and would be non-existent if confirmation occurs later than February, 2013.

Another variable that will impact the potential for creditors to be paid as well in the event of liquidation as they would by continuing operations is the current uncertainty over the amount that will eventually be allowed on two large claims. Debtor anticipates objecting to the claims of Texas Capital Bank and Alberto Dal Cin (including American Five Trading and DLP Enterprises). Debtor's projections anticipate paying these claims in full based upon the amount claimed by the creditor; however, the possibility exists that the amount of one or both creditor's claims may be substantially reduced through the claim allowance process. The possibility also exists that Texas Capital Bank's claim could be increased by additional attorneys' fees and interest. Thus, any liquidation analysis is inherently imprecise due to the potential variations in both the net proceeds realized through liquidation and the amount of claims ultimately to be paid from such proceeds.

As set forth previously, through the end of September, 2012, Debtor's significant tangible assets consisted of real estate, inventory, and notes receivable. Based on the estimated present asset values previously expressed, if the liquidation of Debtor's real estate realized net proceeds in the amount of 80% of the currently estimated fair market value, the net proceeds would be approximately \$2.4 million. A sale of the Debtor's notes receivable for 70% of the current face value would yield approximately \$920,000. If sold at 80% of its cost, Debtor's current inventory would provide approximately \$950,000. At these values and discounts, liquidation would provide approximately \$4.3 million for distribution to creditors. The full amount of all filed claims totals approximately \$4.8 million. Thus, if all claims are allowed in full, a liquidation of Debtor's assets would likely not provide for full payment. Thus, Debtor's Plan is clearly preferable to liquidation.

IX. RISKS TO CREDITORS UNDER THE DEBTOR' S PLAN

There are always risks inherent in any Chapter 11 plan. The Plan structure has been designed in order to minimize the risks to the Debtor's general unsecured creditors. Given the value and nature of the secured creditors' collateral, combined with the debt reduction provided through the plan payments, the risks to the secured creditors should be virtually non-existent. Meanwhile, as Dallas Roadster begins to recover from the harm it has suffered by Texas Capital Bank's wrongful actions, its increased vitality and viability will also reduce the risks to creditors under the Plan. All things considered, the risks to the Debtor's creditors are not excessive and should diminish as payments under the Plan are made.

X. SIGNIFICANT ORDERS ENTERED DURING THE CASE

Significant orders entered by the Bankruptcy Court during the case include:

- a. The December 20, 2011 Order compelling the receiver to return Dallas Roadster's property (the "Turnover Order") [Doc. 25];
- b. The December 22, 2011 Order authorizing the DIP financing [Doc. 29];
- c. The January 12, 2012 Final Order approving DIP financing [Doc. 43];
- d. The Final Cash Collateral Order entered on March 29, 2012 [Doc. 84]; and
- e. The Agreed Order Authorizing the Debtors to Enter into Real Property Lease Agreements [Doc. 89].

Debtor is of the impression that the restrictions on its operations and on its use of income from the sale of vehicles and collections of notes receivable contained in those Orders will lapse upon confirmation of Debtor's Plan. Accordingly, Debtor intends for the only restrictions on its operations post-confirmation to be those (a) imposed by law; (b) specified in its Plan; or (c) agreed to by virtue of express contracts, including loan agreements.

XI. GENERAL INFORMATION ABOUT THE CLAIMS PROCEDURE

A. Procedures for Resolving Contested Claims

The Debtor shall have the sole right and duty to review Claims and object to the Proof of Claim filed by any party or claimant, if appropriate. Objections to Claims must be filed with the Bankruptcy Court no later than forty-five (45) days after the Effective Date and served upon the holders of each of the Claims to which objections are made.

If the Debtor files an objection to a Claim, the Creditor shall file a response to any such objection within twenty-one (21) days from the mailing date set out in the certificate of service for the objection. Failure to timely file a response shall result in a deemed consent to the objection, and upon the expiration of the twenty-one (21) day period, the Court may enter an order without further notice or hearing. In the event a response is filed, the Court shall set a hearing on not less than thirty (30) days' notice to the parties in accordance with Bankruptcy Rule 3007.⁴

The Debtor shall have primary responsibility for litigating, withdrawing, or resolving all objections to Claims after the Effective Date.

Except as otherwise provided in the Plan, the allowance of any pre-petition Claim, the resolution of any Claim dispute, or the payment of such Claims shall not, absent an express contrary ruling by the Court, operate as a bar, by application of the principles of res judicata or collateral estoppel, to the recovery of pre-petition Claims or the exercise of any right of setoff held by the Debtor with respect to the claims held by the affected claimants. To the extent such

⁴ According to the United State Supreme Court in *Stern v. Marshall*, 131 S.Ct. 2594 (2011), limits on the Bankruptcy Court's constitutional authority may prevent it from determining certain types of claims. Any claims, whether brought by or against the Debtor, that exceeds the Bankruptcy Court's constitutional authority shall be resolved in another forum.

right of offset is not resolved in the claim objection process, any affected claimant shall retain its right of offset of mutual claims as provided in Bankruptcy Code §553.

Any amendments to Claims previously filed must be filed prior to the Effective Date or they will be void.

B. Debtor's Current Intentions

Debtor currently intends to object to the claims of Texas Capital Bank and Alberto Dal Cin (including American Five Trading and DLP Enterprises). As of September 11, 2012, Texas Capital Bank estimated its total claim in the amount of \$2,553,751.80. This amount included \$469,289.83 in prepetition fees and expenses, \$214,612.12 for principal and interest on the DIP Loan, and \$250,000 for estimate attorneys' fees and post-petition expenses. Debtor's financial projections are based on an amortization of the entire \$2,553,751.80; however, this amount should be decreased by the portion attributed to the DIP Loan and may be further reduced should any portion claimed for fees and expenses be disallowed.

In conjunction with its objection to Texas Capital Bank's claim, Debtor also intends to bring claims against Texas Capital Bank for its actions in having Debtor's assets placed in receivership pre-bankruptcy and for the damages suffered by Debtor as the result of those actions. Debtor intends to offset Texas Capital Bank's claim by whatever damages are determined to have been caused by Texas Capital Bank. Although Texas Capital Bank should be expected to insist that its claim would be increased by the attorneys' fees it incurs defending against a lender liability claim brought by Debtor, Debtor is of the impression that attorneys' fees incurred by Texas Capital Bank in defense of Debtor's claims would not be recoverable and would not result in an increase in its Allowed Claim. *Smith v. Texas Farmers Ins. Co.*, 82

S.W.3d 580, 588-89 (Tex. App. – San Antonio 2002, pet. denied); *Campbell, Harrison & Dagley L.L.P. v. Blue*, 843 F.Supp.2d 673, 693-94 (N.D. Tex. 2011).

Debtor has no intention of bringing any claims against Ben Amini. IEDA Enterprise's board of directors has consulted concerning whether it is in the Debtor's best interest to pursue any such claims and has concluded that it is not. Given that the criminal charges brought against Ben Amini have been completely dismissed, IEDA Enterprise's board is of the opinion that no legitimate basis would exist for the assertion of any claim against Ben Amini.

XII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The transactions contemplated by the confirmation of the Plan may have an impact on the tax treatment received with respect to distributions under the Plan. That impact may be adverse to the creditor or interest holder.

An analysis of federal income tax consequences of the Plan to creditors, interest holders, and the Debtor requires a review of the Internal Revenue Code ("IRS Code"), the Treasury regulations promulgated thereunder, judicial authority, and current administrative rulings and practice. The Plan and its related tax consequences are complex. Neither the Debtor nor the Debtor's counsel has requested a ruling from the Internal Revenue Service with respect to these matters. Accordingly, no assurance can be given as to the IRS's interpretation of this Plan.

THE TRANSACTION CONTEMPLATED BY THE CONFIRMATION OF THE PLAN MAY HAVE AN IMPACT ON THE TAX TREATMENT OF ANY CREDITOR OR INTEREST HOLDER. THAT IMPACT MAY BE ADVERSE TO THE CREDITOR OR INTEREST HOLDER. NOTHING HEREIN IS INTENDED TO BE ADVICE OR OPINION AS TO THE TAX IMPACT OF THE PLAN ON ANY INDIVIDUAL CREDITOR OR INTEREST HOLDER. EACH CREDITOR OR INTEREST HOLDER IS CAUTIONED TO

OBTAIN INDEPENDENT AND COMPETENT TAX ADVICE PRIOR TO VOTING ON THE PLAN.

XIII. CONFIRMATION OF THE DEBTOR' S PLAN

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. Confirmation Hearing

The Bankruptcy Code requires the Court, after notice, to hold a hearing on confirmation of the Plan, at which any party-in-interest may object to confirmation of the Plan.

The date and time of the hearing on confirmation of the Plan will be set forth in a notice to each Creditor. The hearing may be adjourned from time to time by the Court without further notice except for an announcement made at the hearing or any adjournment thereof. Any objection to confirmation of the Plan must be made in writing and filed with the Court and served upon the Debtor's counsel at the address listed below, together with proof of service, on or before the date set by the Court:

J. Bennett White, P.C.
P. O. Box 6250
Tyler, TX 75711
(903) 597-4300 / (903) 597-4330 (fax)

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE COURT.

B. Requirements for Confirmation

At the hearing on confirmation of the Plan, the Court shall determine whether the requirements of Bankruptcy Code § 1129 have been satisfied, in which event the Court shall enter an order confirming the Plan. These requirements are as follows:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The Debtor and Debtor's counsel have complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with the Chapter 11 Case or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Court as reasonable.
5. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, or a successor to the Trustee under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and Equity Security Holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the Reorganized Debtor and the nature of any compensation for each insider.
6. Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtor has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval.
7. With respect to each impaired class of Claims or Equity Security Holders, either each holder of a Claim or Equity Security Interest of such class has accepted the Plan, or will receive or retain under the Plan on account of such Claim or Equity Security Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated on such date under Chapter 7 of the Bankruptcy Code.
8. Each class of Claims or Equity Security Interests has either accepted the Plan, is not impaired under the Plan, or is subject to cramdown.
9. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims and Priority Claims will be paid in full on the Effective Date and that Priority Tax Claims will receive on account of such Claims deferred

cash payments, over a period not exceeding five (5) years after the Petition Date, of a value, as of the Effective Date, equal to the allowed amount of such Claim.

10. At least one class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim of such class.
11. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.
12. The Debtor believes that the Plan satisfies all the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Debtor has complied or will have complied with all of the requirements of Chapter 11 and that the proposal of the Plan is made in good faith.
13. The Debtor believes that the holders of all Claims impaired under the Plan will receive payments under the Plan having a present value as of the Effective Date in amounts not less than the amounts likely to be received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

C. Cramdown

In the event that any impaired class of Claims or Interests does not accept the Plan, the Court may still confirm the Plan at the request of the Debtor if, as to each impaired class which has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and equitable.” A plan of reorganization does not discriminate unfairly, within the meaning of the Bankruptcy Code, if no class receives more than it is legally entitled to receive for its Claims or Equity Security Interests. “Fair and equitable” has different meanings for Secured Claims and Unsecured Claims.

With respect to a Secured Claim, “fair and equitable” means either: (i) the impaired Secured Creditor retains its liens to the extent of its Allowed Claim and receives deferred cash payments at least equal to the allowed amount of its Claim with a present value of the Effective

Date at least equal to the value of such Secured Creditor's interest in the property securing its liens; or (ii) property subject to the lien of the impaired Secured Creditor is sold free and clear of that lien, with that lien attaching to the proceeds of the sale, and such lien proceeds must be treated in accordance with clauses (i) and (ii) hereof; or (iii) the impaired Secured Creditor realizes the "indubitable equivalent" of its claim under the Plan.

With respect to an Unsecured Claim, "fair and equitable" means either (i) each impaired Unsecured Creditor receives or retains property of a value equal to the amount of its Allowed Claim; or (ii) the holders of the Claims and Equity Security Interests that are junior to the Claim of the dissenting class will not receive any property under the Plan.

With respect to an Interest, "fair and equitable" means either (i) each holder of an Impaired Interest of such Class receives property of a value, as of the Effective Date, equal to the greatest of (a) the allowed amount of any fixed liquidation preference to which such holder is entitled, or (b) any fixed redemption price to which such holder is entitled, or (ii) the value of such Interest that is junior in priority to the interests of the dissenting Class will not receive any Property under the Plan.

The absolute priority rule set forth in Bankruptcy Code § 1129(b)(2)(B) requires a cram-down of a plan of reorganization over a dissenting creditor class to meet an "either/or" test. Either (i) the members of each dissenting impaired class of unsecured claims must receive property of a value, as of the effective date of the plan, equal in amount to such class' members allowed claim; or (ii) holders of claims and interests that are junior to each dissenting impaired class of claims must not receive any property under the plan of reorganization. The absolute priority rule applies only in cases when a class of claims or Equity Interests is both impaired and does not accept the plan. Thus, the absolute priority rule does not apply to all classes of claims

and Equity Interests but only to dissenting classes and classes junior to the dissenting class. Because the Plan provides for the full payment of all Classes of Claims senior to Class 21, the Debtor believes that the Plan satisfies the absolute priorities rule.

In the event one or more classes of impaired Claims or interests rejects the Plan, the Court will determine at the hearing for confirmation of the Plan whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Claims. If the Court determines that the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Claims or interests, the Court can confirm the Plan over the objection of any impaired class.

XIV. VOTING PROCEDURES AND REQUIREMENTS

A. Ballots and Voting Deadline

In addition to this Disclosure Statement and a copy of the Plan, each Creditor entitled to vote will hereafter be provided with a ballot to be used for voting to accept or reject the Plan, together with a postage paid return envelope. The ballot form will also have a place for any applicable election to be made by a claimant, whether or not such claimant is entitled to vote.

In order to be counted for voting purposes, ballots of acceptance and rejection of the Plan must be completed and returned to the Court prior to the hearing before the Court requesting approval of the Plan or at such other time as the Court may set. The deadline for submitting ballots and objections will be set forth by the Court.

Whether or not the Creditor entitled to vote expects to be present at the hearing, each Creditor is urged to complete, date, sign, and properly mail the ballot to the following address:

J. Bennett White, P.C.
Attn: Dallas Roadster Balloting
P. O. Box 6250
Tyler, TX 75711

IN COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE VOTING INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.

Ballots may be cast by facsimile transmission to counsel for the Debtor at (903) 597-4330, provided (a) the facsimile transmission is actually received and time-stamped prior to the voting deadline; and (b) the original, signed ballot, postmarked not later than the day of the voting deadline, is mailed to and received by counsel for the Debtor.

IN ORDER TO AVOID THE POSSIBILITY OF A BALLOT TRANSMITTED BY FACSIMILE BEING BACKED UP IN TRANSMISSION AND NOT BEING COUNTED, THE DEBTOR REQUESTS THAT YOU TRANSMIT YOUR BALLOT ON THE DAY PRIOR TO THE VOTING DEADLINE.

Ballots that are signed and timely returned as directed above, but which do not expressly indicate a vote either to accept or reject the Plan will not be counted by the Debtor as an acceptance of the Plan.

B. Creditors Entitled to Vote

Any creditors whose Claim is impaired under the Plan is entitled to vote, if either (i) its Claim has been scheduled by the Debtor (and such Claim is not scheduled as disputed, contingent, or unliquidated), or (ii) it has filed a proof of Claim on or before the first date set by the Court for such filings. Any Claims as to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless the Court temporarily allows the Claim in an amount which it deems proper for the purpose of accepting or rejecting the Plan upon

application by the Creditor. Such application must be heard and determined by the Court at such time as specified by the Court. A Creditor's vote may be disregarded if the Court determines that the Creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the Bankruptcy Code.

C. Definition of Impairment

Under Bankruptcy Code § 1124, a class of Claim or Equity Security Interests is impaired under a Chapter 11 plan unless, with respect to each Claim or interest of such class, the Plan:

1. Leaves unaltered the legal, equitable, and contractual rights of the holder of such Claim or Equity Security Interest; or
2. Notwithstanding any contractual provision or applicable law that entitles the holder of a Claim or Equity Security Interest to receive accelerated payment of its Claim or Equity Security Interest after the occurrence of default:
 - a. Cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default that consists of a breach of any provision relating to the insolvency or financial condition of the Debtor at any time before the closing of the case, the commencement of the case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code;
 - b. Reinstates the maturity of such Claim or Equity Security Interest as it existed before the default;
 - c. Compensates the holder of such Claim or Equity Security Interest for damages incurred as a result of reasonable reliance on such contractual provision of applicable law; and
 - d. Does not otherwise alter the legal, equitable, or contractual rights to which such Claim or Equity Security Interest entitles the holder of such Claim or Equity Security Interest.

D. Class Impaired Under the Debtor's Plan

The following classes are impaired under the Plan, and Creditors and Interest Holders holding claims in such classes are entitled to vote to accept or reject the Plan: Dallas Roadster Classes 3 through 9 and IEDA Enterprise Classes 3 through 7.

All other classes are unimpaired under the Plan and are deemed to have accepted the Plan. The unimpaired classes, therefore, are not entitled to vote with respect to the acceptance or rejection of the Plan.

E. Vote Required for Class Acceptance

The Bankruptcy Code defines acceptance of a Plan by a class of Creditors or Equity Interest Holders as acceptance by holders of two-thirds (2/3) in dollar amount and a majority in number of the Claims and Equity Interests of that class which actually cast ballots for acceptance or rejection of the Plan.

XV. FINANCIAL INFORMATION

Dallas Roadster's most recent financial information is reflected in the monthly operating statements that have been filed with the Bankruptcy Court. A copy of Dallas Roadster's most recent monthly operating report is attached hereto as **Exhibit B**.

The Debtor's financial projections include a payment to Texas Capital Bank in the amount of slightly more than \$12,000 per month as payment on its Allowed Claim. The projected payment amount is based on an amortization of the entire amount estimated by Texas Capital Bank to be owed it as of September 11, 2012. However, once Debtor objects to Texas Capital Bank's claim, no payment will be required until its Allowed Claim is determined. The projections also provide for a cash reserve to be funded on the basis of \$500 per vehicle sold, with the balance of available cash devoted to acquiring inventory.

In the event litigation against Texas Capital Bank is not undertaken on a contingency basis, the amount currently allocated to paying its claim (\$12,000 per month) and the projected cash reserve (\$14,000+ per month) could be used to pay the costs of that litigation without any negative impact on the Debtor's ability to meet its other obligations under the Plan. These funds should be sufficient to fund pursuit of the Debtor's claims against Texas Capital Bank, if necessary.

XVI. MANAGEMENT

Dallas Roadster's management is primarily handled by Ben Amini and Ben Khobahy. Their expertise has produced the success traditionally experienced by Dallas Roadster. Dallas Roadster's anticipates that they will continue to serve in the same capacities going forward.

Ben Amini and Ben Khobahy have each been receiving compensation in the amount of \$8,000 per month post-petition, although historically their compensation has often been higher. As a limited partnership, Debtor pays no income tax; however, income taxes on its profits are imputed to Ben Amini and Ben Khobahy as its partners. Given the anticipated profitability of the Debtor post-confirmation, there may be both a justification and a necessity for increased compensation to Ben Amini and Ben Khobahy in order to allow them to meet their tax burden; however, compensation to Ben Amini and Ben Khobahy shall remain secondary to the obligations to the Claimants pursuant to the Plan.

IEDA Enterprise's directors include Ben Amini, Ben Khobahy, Hossein Maleki, Massoum Mirzai, and Abdollah Nouri. No compensation is currently provided for any director and none is contemplated by the Plan.

XVII. COST AND RISK ANALYSIS

It is anticipated that enough revenue can be generated through operations within the terms of the Plan that such revenues will be adequate for distribution to creditors, with all classes to be paid in full during the term of the Plan. It is anticipated that the cost of administration will not significantly affect the implementation of the Plan. All distributions to attorneys for work prior to the Effective Date of the Plan shall be subject to the review process of the Court.

In determining the risk to creditors in accepting the Plan, the creditors should take into account the Debtor's proven ability to succeed and grow over a substantial period of time, in varying economic conditions, through the expertise of its present management.

XVIII. PREFERENTIAL TRANSFERS

Debtor is unaware of any avoidance actions for preferential transfers that have the potential to provide a practical benefit to the Debtor's Estate.

XIX. MODIFICATION OF THE PLAN

Bankruptcy Code § 1127(a) permits the Debtor to amend or modify the Plan at any time prior to confirmation. Post-confirmation modifications of the Plan are allowed under Bankruptcy Code § 1127(a), if the proposed modification is offered before the Plan has been substantially consummated or pursuant to an article of the confirmed Plan authorizing the intended modification. The Debtor reserves the right to amend or modify the Plan at any time at which such modification is permitted under the Bankruptcy Code.

In the event that the Debtor proposes to modify the Plan prior to the Confirmation Order, further disclosure pertaining to the proposed modification will be required only if the Court finds, after a hearing, that the pre-confirmation modifications adversely change the treatment of any Creditor or Equity Interest Holder who has previously accepted the Plan. If the proposed

modification is material and adverse, or if a post-confirmation modification is sought, the Debtor intends to supplement this Disclosure Statement to describe the changes made in the Plan and the reasons for any proposed modifications.

XX. RETENTION OF JURISDICTION

As set forth in the Plan, the Court will retain jurisdiction over substantially all matters arising in connection with the Chapter 11 Case and Plan.

XXI. SUMMARY

The Debtor contemplates that its operations will permit all creditors to be paid in full. Essentially, this proceeding will enable the Debtor to preserve the value of its going-concern while permitting payment of its claims in an orderly manner. The treatment afforded creditors by this Plan is the best alternative to all interested parties. Accordingly, the Debtor respectfully requests your affirmative support and vote in favor of the Plan.

DATED this 5th day of November, 2012.

DALLAS ROADSTER, LIMITED

BY: IEDA Enterprise, Inc.
Its General Partner


By: /s/ Ben Khobahy
President

IEDA ENTERPRISE, INC.

BY: /s/ Ben Khobahy
President

RESPECTFULLY SUBMITTED,

J. BENNETT WHITE, P.C.
P. O. Box 6250
Tyler, TX 75711
Telephone No. (903) 597-4300
Telecopier No. (903) 597-4330



J. BENNETT WHITE
Texas Bar No. 21309800

ATTORNEYS FOR DEBTOR

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically. As such, this document was served on all interested parties deemed to have consented to electronic service. Pursuant to Fed. R. Bankr. P. 9013, Fed. R. Civ. P. 5, and Loc. R. Bankr. P. 9013(f), all other interested parties not deemed to have consented to electronic service were served with a true and correct copy of the foregoing, unless noted otherwise below, by first class mail on this date, **November 5, 2012**. Those served by means other than electronic, are as follows:

Dallas Roadster, Limited
Attn: Ben Amini
404 N. Central Expressway
Richardson, TX 75080


J. BENNETT WHITE