UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FT. LAUDERDALE DIVISION

IN RE:

CASE NO. 16-10977-JKO

BATH CREST OF FLORIDA, LLC

Debtor

Chapter 11 Proceeding

_____/

DEBTOR'S DISCLOSURE STATEMENT

BATH CREST OF FLORIDA, LLC ("Debtor"), Debtor and debtor-in-possession herein, respectfully submits this Disclosure Statement ("DISCLOSURE STATEMENT") to all known holders of claims and interests in order to solicit acceptances or rejections of the Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code By E.G. Braswell Construction, Inc. ("PLAN"):

DESCRIPTION OF DISCLOSURE STATEMENT

The purpose of this DISCLOSURE STATEMENT is to provide the creditors of the Debtor with adequate information to enable them to make an intelligent decision whether to vote to accept or reject the PLAN that is put before them. The PLAN is a document that contains the formal statement of what the various creditors and interested parties will receive, how they are to receive it, and what will become of the DEBTOR. If the PLAN is confirmed by the Bankruptcy Court, it will become binding on the DEBTOR, creditors and interested parties.

Creditors have the right to reject or accept the PLAN. A class of creditors accepts the PLAN when creditors holding two-thirds (2/3) in dollar amount of claims in which such class and more than one-half (½) in number of claims in such class who actually cast their ballots have voted to accept the PLAN. Therefore, the vote of the creditors is of great importance.

Accompanying this DISCLOSURE STATEMENT are the following materials:

1. A copy of the PLAN.
2. The ballot for accepting or rejecting the PLAN.
3. A copy of the Order that states (I) the day by which the ballots must be received in order to be counted, (ii) the date on which a hearing in the Bankruptcy Court on whether to confirm the PLAN will be held, and (iii) other relevant information.

As stated in the accompanying Order (item 3), the Bankruptcy Court has scheduled a hearing on whether to confirm the PLAN for _____, 2017 at ____ a.m. Creditors may attend this hearing, although attendance is not necessary. In order for a ballot to be counted it must be received by Clerk of the Bankruptcy Court, Southern District of Florida, US Courthouse, 299 E. Broward Blvd., Suite 112, Ft. Lauderdale, FL 33301, by the close of business on _____, 2017. This DISCLOSURE STATEMENT has been approved by the United States Bankruptcy John K. Olson as containing adequate information to enable creditors to make an intelligent decision whether to accept or reject the PLAN, and it is the only authorized statement with respect to the PLAN. Although this statement has been approved by the Bankruptcy Court, the approval does not mean that the PLAN is recommended by the Bankruptcy Court. There has not been appointed in this a case an official committee of general unsecured creditors.

What follows is a brief description of the Debtor, both before and during the bankruptcy case, a description and an analysis of the PLAN, including the projected timing and the payment to creditors, and finally an analysis of the alternatives to the PLAN. No other representations concerning the DEBTOR, or the PLAN have been authorized by the Debtor and none should be relied upon by creditors in deciding how to vote.

NO PARTY IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO ANY MATTER COVERED BY THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE DEBTOR, ITS OPERATIONS OR THE VALUE OF ITS PROPERTY IS AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR AND TO THE OFFICE OF THE UNITED STATES TRUSTEE, WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED NECESSARY AND APPROPRIATE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN MADE SUBJECT TO A CERTIFIED AUDIT. APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT BY THE COURT DOES NOT CONSTITUTE A RECOMMENDATION BY THE COURT AS TO THE MERITS OF THE PLAN.

TO THE EXTENT THAT THERE IS AN INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS AND LANGUAGE OF THE PLAN SHALL CONTROL.

II

GENERAL BACKGROUND INFORMATION ABOUT THE DEBTOR

Fern Labelle ("Labelle") is the principal of the Debtor. The Debtor is in the business of installing acrylic bathroom facilities in the individual consumer market. The Debtor is not a manufacturer of its product.

Prior to the creation of the Debtor, from 1984-2002, Labelle worked for a company called Bath Fitter Corp. ("Bath Fitter"). Bath Fitter is the dominant manufacturer and installer in the acrylic bathroom industry. Labelle held different capacities with Bath Fitter.

From the period 2002-2011, Labelle was a franchise owner with Bath Fitter. He operated up to seven different locations under the Bath Fitter franchise. After a substantial amount of product failure, coupled with a faulty business model which Bath Fitter did not want to change, Labelle decided in 2011 to leave Bath Fitter.

Labelle was subject to a non-compete with Bath Fitter. He waited until his restrictive covenant expired, and met up with a company called Bath Crest Corp. ("Bath Crest"). He knew Bath Crest to be of high quality product and leader in the renovation of the acrylic bathroom industry. Labelle decided to take on the Ft. Lauderdale territory for Bath Crest.

On November 15, 2013, the Debtor opened for business.

Soon after the Debtor's business began, Bath Fitter sued Labelle for alleged violations of his non-compete. After spending substantial time and attorney fees in defending himself against Bath Fitter's baseless charges, Labelle prevailed. The Court denied relief to Bath Fitter, abut it also awarded a substantial attorney fee award in favor of Labelle and against Bath Fitter. Bath Fitter has appealed. The appeal is pending.

Meanwhile, Labelle lost valuable time to devote his attention to the Debtor's business, and more importantly, to oversea the company's financial papers. It became evident that sometime around October, 2015, a bookkeeper for the Debtor was stealing from the Debtor. After the termination of this bookkeeper, Labelle learned for the first time that the Debtor had failed to pay payroll taxes for the entire year.

Meanwhile, Bath Fitter continued to litigate its appeal, causing more time and money from Labelle. Time and money that should have been used for the Debtor's operations. Furthermore, Bath Fitter commenced a campaign to malign the Debtor and its operations in the market place. Unfortunately, this is a classic case of David vs Goliath, with the exception that the David (the Debtor herein) does not have the "slingshot" available to stop Goliath.

Between the monies needed to fix the payroll tax problem, the need to spend substantial time to right the Debtor's business, coupled with Bath Fitter's smear campaign that was having a negative impact on the Debtor's business, it was determined that the Debtor would seek bankruptcy protection.

This Chapter 11 was commenced on January 22, 2016.

After the chapter 11 was commenced, Bath Fitters starting spreading the word in the industry that the Debtor was going out of business. These false rumors continued to plague the Debtor's ability to get back on its feet.

In point of fact, a review of the Debtor's total income revenue reflects that it had a good business to start, and with Bath Fitter's negative campaign, the trend is reversing:

a) 2014- first year in business, the Debtor did approximately $1.8 million in sales;

b) 2015- second year in business, the Debtor did approximately $2.4 million in sales;

c) 2016- third year in business, the Debtor did approximately $2.9 million in sales;

d) 2017- the present year, the Debtor has done less then $1.4 million in sales, and has seen orders being cancelled due to fear the Debtor is going out of business.

The Debtor through its heroic efforts of Labelle has done the best it could to keep the business running while in Chapter 11. Unfortunately, Labelle operates a one man management shop. Labelle is finding it almost impossible to keep of the pace of making sales (which in the consumer retail area takes much time and effort), placing orders of materials for the jobs, and then doing the installation. All of this while having to continue to litigate with Bath Fitter.

The owners of the Debtor's major supplier, Craig Peterson and Derick Peterson (collectively the "Petersons") operated a company called ProLux Manufacturing ("ProLux"). Over the years, they have known Labelle well, and became increasing aware of his issues with Bath Fitter and the effect this was having on the Debtor's business. They were also very concerned about the outstanding receivable the Debtor owed ProLux for supplies and inventory provided to the Debtor on short term credit.

Discussions began between Labelle and the Petersons about the prospects of the Debtor continuing to stay in business, while ordering more product from ProLux. It was at this point, that Labelle made the decision that long term, the Debtor would no longer be able to operate.

At this point, there was and remains inventory sold by ProLux to the Debtor. The inventory has little or no value to anyone but the Debtor and ProLux. The materials used in the inventory and the measurements are unique to ProLux and the Debtor. Even Bath Fitter would have no use for this inventory.

As such, the Petersons have decided that a company that they will create and control, Bath Crest of South Florida, LLC, ("Funder"), will offer to fund the Plan of Reorganization/Liquidation, where the Debtor is the proponent. In return for the funds needed to confirm the Plan and make a distribution to creditors, the Funder will receive the assets of the Debtor, free and clear of any and all liens, claims or encumbrances.

The remaining portions of this DISCLOSURE STATEMENT will describe some of the material terms of the Plan. Creditors are encouraged to read the Plan in its entirety.

III.

DESCRIPTION OF THE PLAN

THE FOLLOWING IS A SUMMARY OF THE PROVISIONS OF THE PLAN AND, ACCORDINGLY, IT IS NOT AS COMPLETE AS THE FULL TEXT OF THE PLAN WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT AS AN EXHIBIT. THE PLAN ITSELF SHOULD BE READ IN ITS ENTIRETY. THE PLAN, IF CONFIRMED, IS A LEGALLY BINDING ARRANGEMENT AND SHOULD BE READ IN ITS ENTIRELY, AS OPPOSED TO RELYING ON THE SUMMARY HEREIN. ACCORDINGLY, CREDITORS MAY WISH TO CONSULT WITH THEIR OWN LAWYER TO UNDERSTAND THE PLAN MORE FULLY. THE SOURCE OF THE INFORMATION CONTAINED IN THE PLAN AND DISCLOSURE STATEMENT IS THE DEBTOR'S BOOKS AND RECORDS, AND PLEADINGS FILED IN THIS CASE.

The PLAN contemplates that funding of the PLAN will be derived primarily from the Funder, with some funding possibly from the Debtor's cash generated from its ongoing business operations.

The PLAN is organized into articles. Article One provides a that the Debtor is the proponent of the PLAN. Article Two contains definitions of terms that are used in the PLAN. Article Three describes and discusses the treatment of chapter 11 administrative expenses, and priority claims. Administrative expenses are, roughly speaking, the cost of conducting the Chapter 11 cases including the fees of attorneys and accountants representing the Debtor. Article Four classifies the claims/interests of creditors into 9 classes of claims/interests. Article Five specifies the treatment of the 9 classes of claims/interests (not including sub-classes for certain classes of claims), that is, whether a class will receive full payment of its claims, and if not, what it will receive instead of full payment. Article Six specifies which classes are impaired in the PLAN, and provides the impaired classes shall be entitled to vote to accept or reject the PLAN. Article Seven discusses executory contracts and unexpired leases, and how they are treated under the PLAN, depending upon whether the executory contracts or unexpired leases are assumed or rejected. Article Eight describes how funds will be generated to enable the Debtor to make the distributions contemplated under the PLAN. In this Article Eight is a discussion of the process by which the assets of the Debtor will be transferred to the Funder, free and clear of liens, claims and encumbrances, in consideration of the Funder funding the Plan. Article Nine discusses the procedure and effect of the Debtor filing objections to claims. Article Ten provides for certain conditions precedent to exist, or be waived, at the time of confirmation of the PLAN. Article Eleven provides for the post confirmation estate to be administered by the Debtor. Article Twelve states that certain large unsecured claims will be waived if and only if the Plan, and any amendments thereto, with the Debtor as the proponent, is

confirmed. Article 13 discusses that the Bankruptcy Court will retain jurisdiction of the case for certain matters , such as, until substantial consummation of the PLAN has been made. Article Fourteen provides the mechanism in which modifications to the PLAN can be made, either pre-confirmation, or on a post confirmation basis. Article Fifteen contains miscellaneous such as provisions relevant to the administration of this Chapter 11 case, and the legal impact of the PLAN.

With regard to the definitions in Article Two, these definitions fall primarily into two categories. One category sets forth certain terms of bankruptcy practice. Every effort has been made to make such definitions correspond to the definitions used in the Bankruptcy Code, the Rules of Federal Bankruptcy Procedure, and general bankruptcy practice. Definitions such as "claim" and "proof of claim" are examples of definitions in the first category. The second category consists of shorthand labels or phrases to refer to a name or concept that would take longer to express. Definitions such as "priority creditor" is an example of definitions in the second category. Another example would be the definition of Debtor which means the BATH CREST OF FLORIDA, LLC.

Article Four of the PLAN divides all pre-petition non-priority claims and expenses against the Debtor into **9** classes. Classes consists of claims, rather than creditors, because one creditor may hold more than one kind of claim, and the Bankruptcy Code requires that certain kinds of claim be given certain treatment.

All administrative expenses as incurred by the professionals retained in this Chapter 11 Bankruptcy proceeding are subject to Bankruptcy Court approval upon proper application and notice to creditors. To the extent that same are allowed by the bankruptcy Court, the DEBTOR shall cause to pay these expenses from funds provided by the Funder, in full, in cash, on the later of the Effective Date of the PLAN, three (3) days after such claim is allowed, or within such terms and conditions

as may be agreed upon between the DEBTOR and each such creditors. All other administrative expenses shall be paid by the DEBTOR in full, in cash, on the Effective Date of the PLAN or upon such terms and conditions as may be agreed upon by said creditors and the DEBTOR.

Notwithstanding any other provisions of the plan to the contrary, the DEBTOR shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), within ten (10) days of the entry of the order confirming this plan, for pre-confirmation periods and simultaneously provide to the United States Trustee an appropriate affidavit indicating the cash disbursements for the relevant period. The Debtor shall remain responsible for compliance with applicable reporting requirements of the Office of the United States Trustee and timely payment of quarterly fees due and payable pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. §1930(a)(6) after the Effective Date and until the Chapter 11 Case is closed based on disbursements made by the Debtor.

Bankruptcy Court approval will be necessary for allowance of the administrative professional expenses upon formal application of the professional and prior to any disbursement by the DEBTOR. However, for purposes of this DISCLOSURE STATEMENT, the following are the known holders of administrative expenses, and the estimated amounts of such unpaid and yet to be awarded expenses:

Behar, Gutt & Glazer, P.A., attorneys for the.Debtor	Approx. $65,000.00
Fees to the Office of the U.S. Trustee pursuant to 28 U.S.C. 1930	Approx. $4,500.00

Estimated Administrative Expenses

for Professionals and U.S. Trustee . Approx. $69,000.00

All other claimants holding claims for expenses of administration pursuant to §§503(b) and 507(A)(1) of the Code will be paid by the Debtor, in full, in cash, on the effective date of the PLAN, or as agreed upon between the individual claimants and the Debtor.

Certain claims held by taxing authorities are entitled to priority in payment pursuant to §507 of the Bankruptcy Code. These claims were incurred prior to the commencement of this proceeding. The Internal Revenue Service has filed a priority tax claim for approximately $$102,978.45 as stated in the proof of claim filed in the Bankruptcy Case and assigned claim number 9-4 by the Clerk of the Bankruptcy Court. The Debtor does not believe there are any other creditors holding such priority claims. In the event that the aforementioned Internal Revenue Service claim is the only Priority Claim it will be paid in the total sum of $1,900.00 on the Effective Date of the PLAN, and the balance of the claim will be paid on a monthly basis of approximately $1,900.00 over a period not exceeding five (5) years after the date of the Order for Relief (January 22, 2016), as of the effective date of the PLAN, equal to the allowed amount of such claims, with interest, at the statutory rate for each respective holder of such a claim, or upon such terms as may be agreed upon between claimant and the Debtor. The Debtor hereby designates that any and all such payments made by the Debtor to the priority tax claimants in accordance with this paragraph, shall first be designated and applied by the taxing authorities to those taxes required to be collected or withheld, for which the Debtor is liable in whatever capacity, including, but not limited to Internal Revenue §941 Type Taxes. Fern Labelle shall guarantee all future payments to the IRS priority claim.

Article Five of the PLAN states what treatment the respective classes will receive. The following paragraphs will discuss the classification and the treatment of the **9** classes together, and will discuss each class in order:

Class 1: Secured Claim of Wells Fargo Bank, N.A. ("Wells Fargo"). Class 1 consists of the Allowed Secured Claim of Wells Fargo. Upon the Effective Date of the Plan, the Debtor will cause a payment of $26,000.00 to be paid to Wells Fargo, in full and complete satisfaction of any and all liens and secured claims that Wells Fargo has, or alleged to have, on any and all assets of the Debtor. An appraisal conducted by Wells Fargo on the Debtor's assets suggests a value of approximately $40,000.00 Upon receipt of the payment to Wells Fargo on account of this Class 1 claim(s), Wells Fargo will execute and record with all appropriate governmental recording offices, all reasonable documents to reflect the full and complete release and satisfaction of any liens. Class 1 will retain any liens it may have had pending payment of the Class 1 distribution set forth herein.

The deficiency claim held by Wells Fargo, in the amount of $180,000.00, shall be treated and allowed as a Class 8 unsecured claim. Class 1 is impaired under the Plan.

Class 2: Secured Claim of Ally Bank ("Ally"). Class 2 consists of the secured claim(s) held by Ally on the 2013 Chevrolet Express Vin: XXXX4368, ("2013 Chevy"). The Debtor will seek a Court determination, or the parties may agree, on the value of the 2013 Chevy. Upon the Effective Date of the Plan, or upon the date the Court determines the value of the 2013 Chevy, or upon the date the parties agree on the value of the 2013 Chevy, which ever is later, the Debtor will cause a payment of the value amount of the 2013 Chevy to be paid to Ally, in full and complete satisfaction of any and all liens and secured claims that Ally has, or alleged to have, on the

2013 Chevy, or any other assets of the Debtor. Upon receipt of the payment to Ally on account of this Class 2 claim(s), Ally will, within ten (10) days thereafter, execute and record with all appropriate and reasonable documents to reflect the full and complete release and satisfaction of any lien(s) on the certificate of title to the 2013 Chevy, and will thereafter delivery and tender the certificate of title for the 2013 Chevy, free and clear of any lien or interest of Ally, to counsel to the Debtor. Class 2 will retain any liens it may have had pending payment of the Class 2 distribution set forth herein. The deficiency claim held by Ally, after the value of the 2013 Chevy is determined, shall be treated as a Class 8 unsecured claim. The Debtor reserves its right to object to the deficiency claim. Class 2 is unimpaired under the Plan.

Class 3: Secured Claim of Ally. Class 3 consists of the secured claim(s) held by Ally on the 2015 Chevrolet Express Vin: XXXX0420, ("2015 Chevy"). The Debtor will seek a Court determination, or the parties may agree, on the value of the 2015 Chevy. Upon the Effective Date of the Plan, or upon the date the Court determines the value of the 2015 Chevy, or upon the date the parties agree on the value of the 2015 Chevy, which ever is later, the Debtor will cause a payment of the value amount of the 2015 Chevy to be paid to Ally, in full and complete satisfaction of any and all liens and secured claims that Ally has, or alleged to have, on the 2015 Chevy, or any other assets of the Debtor. Upon receipt of the payment to Ally on account of this Class 3 claim(s), Ally will, within ten (10) days thereafter, execute and record with all appropriate and reasonable documents to reflect the full and complete release and satisfaction of any lien(s) on the certificate of title to the 2015 Chevy, and will thereafter delivery and tender the certificate of title for the 2015 Chevy, free and clear of any lien or interest of Ally, to counsel to the Debtor. Class 3 will retain any liens it may have had pending payment of the Class 3 distribution set forth herein. The deficiency claim held by Ally, after the value of the 2015 Chevy is determined, shall be treated as a Class 8

unsecured claim. The Debtor reserves its right to object to the deficiency claim. Class 3 is unimpaired under the Plan.

Class 4: Secured Claim of Ally Bank. Class 4 consists of the secured claim(s) held by Ally on the 2016 Chevrolet Express Vin: XXXX9354, ("2016 Chevy"). The Debtor will seek a Court determination, or the parties may agree, on the value of the 2016 Chevy. Upon the Effective Date of the Plan, or upon the date the Court determines the value of the 2016 Chevy, or upon the date the parties agree on the value of the 2016 Chevy, which ever is later, the Debtor will cause a payment of the value amount of the 2016 Chevy to be paid to Ally, in full and complete satisfaction of any and all liens and secured claims that Ally has, or alleged to have, on the 2016 Chevy, or any other assets of the Debtor. Upon receipt of the payment to Ally on account of this Class 4 claim(s), Ally will, within ten (10) days thereafter, execute and record with all appropriate and reasonable documents to reflect the full and complete release and satisfaction of any lien(s) on the certificate of title to the 2016 Chevy, and will thereafter delivery and tender the certificate of title for the 2015 Chevy, free and clear of any lien or interest of Ally, to counsel to the Debtor. Class 4 will retain any liens it may have had pending payment of the Class 4 distribution set forth herein. The deficiency claim held by Ally, after the value of the 2016 Chevy is determined, shall be treated as a Class 8 unsecured claim. The Debtor reserves its right to object to the deficiency claim. Class 4 is unimpaired under the Plan.

Class 5: Secured Claim of Chrysler Capital. Class 5 consists of the secured claim(s) held by Chrysler Capital ("Chrysler") on the 2011 Chevrolet HHR-4 CYL Vin: XXXX1924, ("2011 Chevy"). The Debtor will seek a Court determination, or the parties may agree, on the value of the 2011 Chevy. Upon the Effective Date of the Plan, or upon the date the Court determines the value of the 2011 Chevy, or upon the date the parties agree on the value of the

2011 Chevy, which ever is later, the Debtor will cause a payment of the value amount of the 2011 Chevy to be paid to Chrysler, in full and complete satisfaction of any and all liens and secured claims that Chrysler has, or alleged to have, on the 2011 Chevy, or any other assets of the Debtor. Upon receipt of the payment to Chrysler on account of this Class 5 claim(s), Chrysler will, within ten (10) days thereafter, execute and record with all appropriate and reasonable documents to reflect the full and complete release and satisfaction of any lien(s) on the certificate of title to the 2011 Chevy, and will thereafter delivery and tender the certificate of title for the 2011 Chevy, free and clear of any lien or interest of Chrysler, to counsel to the Debtor. Class 5 will retain any liens it may have had pending payment of the Class 5 distribution set forth herein. The deficiency claim held by Chrysler, after the value of the 2011 Chevy is determined, shall be treated as a Class 8 unsecured claim. The Debtor reserves its right to object to the deficiency claim. Class 5 is unimpaired under the Plan.

Class 6: Secured Claim of Chrysler. Class 6 consists of the secured claim(s) held by Chrysler on the 2011 Chevrolet HHR Vin: XXXX4932, ("2011 Chevy #2"). The Debtor will seek a Court determination, or the parties may agree, on the value of the 2011 Chevy #2. Upon the Effective Date of the Plan, or upon the date the Court determines the value of the 2011 Chevy #2, or upon the date the parties agree on the value of the 2011 Chevy #2, which ever is later, the Debtor will cause a payment of the value amount of the 2011 Chevy #2 to be paid to Chrysler, in full and complete satisfaction of any and all liens and secured claims that Chrysler has, or alleged to have, on the 2011 Chevy #2, or any other assets of the Debtor. Upon receipt of the payment to Chrysler on account of this Class 6 claim(s), Chrysler will, within ten (10) days thereafter, execute and record with all appropriate and reasonable documents to reflect the full and complete release and satisfaction of any lien(s) on the certificate of title to the 2011 Chevy #2, and will thereafter delivery

and tender the certificate of title for the 2011 Chevy #2, free and clear of any lien or interest of Chrysler, to counsel to the Debtor. Class 6 will retain any liens it may have had pending payment of the Class 6 distribution set forth herein. The deficiency claim held by Chrysler, after the value of the 2011 Chevy #2 is determined, shall be treated as a Class 8 unsecured claim. The Debtor reserves its right to object to the deficiency claim. Class 6 is unimpaired under the Plan.

Class 7: Secured Claim of First Citizen Bank. Class 7 consists of the secured claim(s) held by First Citizen Bank ("First") on the 2013 Chevy Avalanche Vin: XXXX4015, ("Avalanche"). The Debtor will seek a Court determination, or the parties may agree, on the value of the Avalanche. Upon the Effective Date of the Plan, or upon the date the Court determines the value of the Avalanche, or upon the date the parties agree on the value of the Avalanche, which ever is later, the Debtor will cause a payment of the value amount of the Avalanche to be paid to First, in full and complete satisfaction of any and all liens and secured claims that First has, or alleged to have, on the Avalanche, or any other assets of the Debtor. Upon receipt of the payment to First on account of this Class 7 claim(s), First will, within ten (10) days thereafter, execute and record with all appropriate and reasonable documents to reflect the full and complete release and satisfaction of any lien(s) on the certificate of title to the Avalanche, and will thereafter delivery and tender the certificate of title for the Avalanche, free and clear of any lien or interest of First, to counsel to the Debtor. Class 7 will retain any liens it may have had pending payment of the Class 7 distribution set forth herein. The deficiency claim held by First, after the value of the Avalanche is determined, shall be treated as a Class 8 unsecured claim. The Debtor reserves its right to object to the deficiency claim. Class 7 is unimpaired under the Plan.

Unsecured Claims. Class 8 consists of all Unsecured Claims. Upon the Effective Date

of the Plan, the Debtor will cause payment representing a 5% distribution to the holders of Allowed General Unsecured Claims. Based on a review of the schedules filed by the Debtor, along with the proof of claims that have been filed, and excluding the claim held by Fern Labelle (the principal of the Debtor), and excluding any deficiency claims of the Classes 1-7, and excluding the claim of Prolux that has been scheduled by the Debtor in the amount of $271,543.58 (the "Prolux Claim"), there exists approximately $284,951.53 of Class 8 claims. The Debtor is reviewing its books and records, and may file objections to some of these claims, which may reduce the amount of the Class 8 creditor body. The source of funding for the distribution will be derived from funds received by the Debtor, and mostly by the Funder. Class 8 is impaired under the Plan.

Class 9: Interests. Class 9 consists of all Interests in the Debtor. Class 9 shall receive no Distributions on account of their Interests. This Class 9 is compromised of Fern Labelle. This Class is deemed to have rejected the PLAN.

As Article Six of the PLAN provides that impaired classes are entitled to vote on the Plan. Classes One and Eight are impaired and are entitled to vote. Class Nine, which will receive no distribution under this PLAN or hold no interest or property right in the Debtor is deemed to have rejected the PLAN. Generally speaking, a class of claims is "impaired" if the PLAN alters the legal, equitable or contractual rights of the claims within the class. If a class is not receiving full payment it is impaired.

Article Six of the PLAN discusses the manner in which the PLAN can be confirmed. As stated above, in order for the PLAN to be confirmed, it must be accepted by the creditors entitled to vote under the PLAN, namely classes two, three and four. In order for the PLAN to be accepted by any one class, holders of two-thirds (2/3) of the amount of claims in said Class and more than one-half (½) of the number of claims in said Class who actually cast a vote must accept the PLAN. Nevertheless, if the PLAN is not accepted by the requisite majorities, there is a possibility that the

PLAN may still be confirmed. The Bankruptcy Code §1129(b)(1) has been nicknamed the "cram down" provisions in such an eventuality. The PLAN may be confirmed or "cram down" notwithstanding its rejection by a dissenting class of creditors if the PLAN does not discriminate unfairly and is fair and equitable with respect to the class that has not accepted the PLAN. The Debtor believes that the PLAN satisfies the "cram down" criteria, in that each class is treated fairly, and no class junior to a particular class is receiving better treatment.

The Debtor does not, however, mean to suggest that creditors should not exercise their right to vote on the PLAN. The vote of the creditors is important. If the PLAN is accepted by the creditors, the Bankruptcy Court will not be confronted with the issues presented by the "cram down" provisions. The Debtor can not predict whether the Bankruptcy Court will accept the Debtor's contention that the PLAN satisfies the "cram down" criteria. Moreover, a hearing on confirmation under such circumstances may be lengthy and delay the entire process. Thus, although the possibility exists that the PLAN may be confirmed regardless of the vote, the Debtor can not predict whether the PLAN will be confirmed if it is not accepted. Therefore, creditors are encouraged to vote on the PLAN.

The Debtor urges the creditors to exercise their right to vote on the PLAN, and to vote in favor of the PLAN. The vote of the creditors is important. If the PLAN is accepted by the creditors, it is likely that the Bankruptcy Court will approve or confirm the PLAN, and the distributions can be accomplished as soon as practical.

The PLAN also includes provisions relating to the assumption of all present executory contracts of the Debtor. In addition, the PLAN includes provisions for the bankruptcy court jurisdiction retention.

THE FOREGOING SUMMARY OF TO THE PLAN ONLY HIGHLIGHTS CERTAIN SUBSTANTIVE PROVISIONS OF TO THE PLAN, AND IT IS NOT NOR IS IT INTENDED TO BE A COMPLETE DESCRIPTION OF OR SUBSTITUTE FOR A FULL AND COMPLETE READING OF TO THE

PLAN. ALL CREDITORS AND HOLDERS OF EQUITY INTERESTS ARE URGED TO READ TO THE PLAN CAREFULLY IN ITS ENTIRETY FOR A COMPLETE DESCRIPTION OF ITS PROVISIONS FOR VOTING TO ACCEPT OR REJECT TO THE PLAN.

IV.

ADDITIONAL RELEVANT INFORMATION

A SOURCE OF MONIES TO BE PROVIDED TO FUND TO THE PLAN

The PLAN contemplates that funding of the PLAN shall be derived from the Debtor's ongoing operations and the reorganized Debtor's post-confirmation operations, but the bulk of the funding is expected to be derived from the Funder.

B. PREFERENCE OR FRAUDULENT TRANSFER RECOVERIES & OTHER LITIGATION

As stated above, upon confirmation of the Plan, the Debtor may pursue any and all avoidance actions. The Debtor takes no position on whether or not any avoidance claims exist. The Debtor does not foresee litigation that the Debtor will be a party, other than claim objections.

C. EXECUTORY CONTRACTS

There does not exist any executory contracts that have not been formally previously assumed or rejected. To the extent that said executory contracts do in fact exist, then the ultimate buyer of the Property may determine which such executory contracts it would want to keep. With respect to those selected executory contracts, they will be assumed, and the Funder will be responsible to for any obligations thereunder. Other than executory contracts selected by the Funder, all other executory contracts are deemed rejected, and any damage claim arising from such rejection will be treated as a Class Eight claim.

D. POST-CONFIRMATION DEBTOR OPERATIONS

The Debtor contemplates that the Debtor will cease its operations upon confirmation of the Plan.

E. ALTERNATIVES TO THE PROPOSED PLAN

The Debtor's main assets consists of inventory and vehicles (collectively referred to as the "Assets"), that it uses in its business. The Debtor has no account receivables, as payment by a customer is due in full on completion of the project. There are minimal amount of customer contracts that would need to be completed before any value could be assigned to them. To finish these contracts would require more inventory purchasing, and labor costs. As a result, these contracts have little, if any, current value.

Wells Fargo has a blanket lien on substantially all of the Debtor's assets. Each vehicle has a lien held by the respective bank, as identified above.

Wells Fargo had recently conducted an appraisal of the Assets, and determined at best the value is around $40,000.00. The appraisal concluded on a liquidation, the value would be less- somewhere in the neighborhood of $20,000.00.

The PLAN calls for the transfer of the Assets to the Funder, or its successors and/or assigns. In return for such transfers, the Funder has agreed to fund the Plan.

As discussed below, general unsecured creditors could expect to receive little, if any, distribution if this case were to be converted to a chapter 7. Wells Fargo possesses a lien on all assets of the Debtor, including but not limited to, its receivables, accounts, and equipment, to secure an obligation that exceeds $197,000.00. Thus, on a liquidation, Wells Fargo would take all of the Assets, subject to payment of the lienholders on the vehicles. In short, there would be not equity in the Assets after payment to the secured creditors, that could benefit the general unsecured creditors.

Even if there were some equity left over, the IRS holds a priority claim in excess of $100,000.00. This priority claim would need to be paid in full, before general unsecured creditors would receive any distribution.

The above liquidation analysis also does not consider the administrative professional fees that have been incurred in this bankruptcy case, that would be paid before general unsecured creditors would see any distribution.

The only other realistic alternative to the PLAN as proposed by the Debtor is to convert this proceedings to Chapter 7 liquidation case. In a Chapter 7 liquidation, a disinterested trustee is appointed who will then seek to liquidate the assets of the Debtor to create a fund for a distribution to creditors.

A Chapter 7 liquidation could also take more time. The disinterested trustee will need time to learn about the assets and the affairs of the Debtor before he could make a distribution to creditors. There is no way to quantify the additional amount of time before a distribution can be made, assuming that sufficient funds will be generated to make such a distribution. In addition, a Chapter 7 trustee may wish to investigate the Debtor's affairs, and may retain attorneys and accountants to assist him in such investigation. The fees and disbursements of the trustee, his attorneys and accountants if any are retained will be administrative expenses in the Chapter 7 proceeding. Chapter 7 administrative expenses will have a priority over all other administrative expenses and claims of creditors. Thus, a Chapter 7 liquidation could in all likelihood increase the cost of the bankruptcy, however, there is no way to quantify the extra cost. Moreover, because of the questionable liquidation value of the Debtor's assets, (as the liens against all of the Debtor's property exceeds the value of the property based on a quick liquidation sale, the chances of an enhanced distribution to unsecured creditors would be greatly diminished). In fact, it is believed that in a chapter 7, the

trustee would simply abandon the Debtor's property to its respective secured creditors and general unsecured creditors could expect to receive no distribution.

The PLAN as proposed by the Debtor, offers the best opportunity for general unsecured creditors to receive any distribution. The Funder has agreed to fund a 5% distribution to holders of allowed general unsecured claims. This guaranteed distribution would not otherwise exist in a chapter 7 liquidation.

Furthermore, conditioned on confirmation of the Debtor's Plan, both Labelle and ProLux have agreed to waive their claims against the bankruptcy estate. As per the Debtor's bankruptcy schedules, Labelle holds a general unsecured claim in the amount of $345,100.37. Prolux holds a general unsecured claim in the amount of $271,543.58. These claims are valid ones and are not disputed by the Debtor. In the event that this case would convert to a chapter 7, both Labelle and ProLux would be entitled to a distribution on their claims. This would have the impact of increasing the general unsecured creditor body, and thereby decreasing any expected distribution that any one unsecured creditor could expect.

After evaluating the differences between the PLAN as proposed, or converting to a Chapter 7 liquidation, the Debtor believes that the PLAN offers a more favorable treatment to the general unsecured creditors.

In sum, the Debtor believes that the PLAN offers the creditors more money sooner, and that the creditors should vote to accept the PLAN. Indeed, if the Debtor was to convert the case to a Chapter 7 liquidation, the Debtor believes that general unsecured creditors would not receive any distribution on their claims.

E. INSIDER CLAIMS

There does not appear to be any insider claims, except for the Labelle claim described above. To the extent that there are such claims, these claims will be waived if the PLAN is confirmed.

F. There does not exist any present or proposed material transactions of the Debtor in which any "INSIDER" or "AFFILIATE" of the Debtor may have or will have any interest, except for what it is specifically described herein.

G. There is little risk should the creditors of this Debtor's estate accept the PLAN. The unsecured creditors are assured a five percent (5%) pro rata distribution on their claims. The Debtor intends to close its operations upon confirmation.

V.

RETENTION OF JURISDICTION

The Bankruptcy Court shall retain exclusive jurisdiction of the Chapter 11 cases in all matters arising thereunder and therefrom to ensure that the purpose and intent of the PLAN are carried out, and for the following additional purposes:

1. to consider any modification of the PLAN under §1127 of the Bankruptcy Code, and/or any modification of the PLAN prior to substantial consummation as defined in §1101(2) of the Bankruptcy Code;

2. to hear and determine all controversies, suits and disputes that may arise in connection with the interpretation or enforcement of the PLAN;

3. to determine all matters which may be pending on the confirmation date;

4. to hear and determine all requests for compensation and/or reimbursement of expenses which may be made after the confirmation date;

5. to hear and determine all objections to claims, controversies, suits and disputes that may be pending at or initiated after the confirmation date, except as provided in the Confirmation Order.

6. to consider an act on the compromise or settlement of any claims against or causes of action on behalf of the Debtor' estates;

7. to consider an act on such other matters consistent with the PLAN in an aid of its implementation; and

8. to issue such Orders that are or maybe necessary or appropriate for the consummation of the PLAN.

9. to enable the Liquidating Debtor to carry out the provisions of the Plan, including the prosecution and resolution of the Avoidance Actions and objections to claims and

10. to enter a final decree closing the Chapter 11 case.

CONCLUSION

The Debtor urges creditors to vote to accept the PLAN and to evidence such acceptance by returning their ballots.

DATED at Ft. Lauderdale, Broward County, Florida, this 26th day of July, 2017.

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