

**IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

**IN RE:**

**LOUIS & LANE, INC. D/B/A DICKERSON  
AUTOMOTIVE,**

**Debtor.**

**CHAPTER 11**

**CASE NO. 16-54458-jrs**

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**DISCLOSURE STATEMENT FOR PLAN OF REORGANIZATION**

**Dated this 2nd day of November, 2016**

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**Filed by:**

**LOUIS & LANE, INC. D/B/A DICKERSON AUTOMOTIVE**

**Debtor and Debtor in Possession**

**Attorneys for Debtor:**

**Cameron M. McCord  
Leon S. Jones  
JONES & WALDEN, LLC  
21 Eighth Street, NE  
Atlanta, Georgia 30309  
(404) 564-9300**

## **I. Introduction and General Information**

This disclosure statement (“Disclosure Statement”) is submitted by Louis & Lane, Inc. d/b/a Dickerson Automotive (“Debtor”), to provide information to parties in interest about the Chapter 11 Plan (“Plan”) filed by Debtor. This introductory section is qualified in its entirety by the detailed explanations which follow and the provisions of the Plan.

This Disclosure Statement sets forth certain information regarding Debtor’s prepetition history and events that have occurred during Debtor’s Chapter 11 case. This Disclosure Statement also describes the Plan, alternatives to the Plan, effects of confirmation of the Plan, and the manner in which Distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and voting procedures that holders of Claims in Impaired Classes must follow for their votes to be counted.

**Parties voting on the Plan should read both the Plan and this Disclosure Statement.**

### **A. Definitions**

Unless otherwise defined, capitalized terms used in this Disclosure Statement have the meanings ascribed to them in the Plan. In the event of an inconsistency between the Disclosure Statement and the Plan, the terms of the Plan shall govern and such inconsistency shall be resolved in favor of the Plan. The Filing Date, as defined in the Plan, shall mean March 9, 2016 and the Effective Date, as defined in the Plan, shall mean the date that is 60 days after the entry of a Confirmation Order.

### **B. The Disclosure Statement**

The primary purpose of this Disclosure Statement is to provide parties entitled to vote on the Plan with adequate information so that they can make a reasonably informed decision prior to exercising their right to vote to accept or reject the Plan.

The Bankruptcy Court’s approval of this Disclosure Statement constitutes neither a guaranty of the accuracy or completeness of the information contained herein, nor an endorsement of the Plan by the Bankruptcy Court.

When and if confirmed by the Bankruptcy Court, the Plan will bind Debtor and all holders of Claims against and Interests in Debtor, whether or not they are entitled to vote or did vote on the Plan and whether or not they receive or retain any Distributions or property under the Plan. Thus, you are encouraged to read this Disclosure Statement carefully. In particular, holders of Impaired Claims who are entitled to vote on the Plan are encouraged to read this Disclosure Statement, the Plan, and any exhibits to the Plan and Disclosure Statement, carefully and in their entirety before voting to accept or reject the Plan. This Disclosure Statement contains important information about the Plan, the method and manner of distributions under the Plan, considerations pertinent to acceptance or rejection of the Plan, and developments concerning this case.

## **II. Voting on the Plan and Confirmation Process**

### **A. Voting Instructions**

Accompanying this Disclosure Statement are copies of the following documents: (1) the Plan; and (2) a Ballot to be executed by holders of Claims in Classes 1 through 8 to accept or reject the Plan. The Ballot contains voting instructions. Please read the instructions carefully to ensure that your vote will count.

The Disclosure Statement, the form of Ballot, and the related materials delivered together herewith (collectively, the “Solicitation Package”), are being furnished to Holders of Claims in Classes 1 through 8 for the purpose of soliciting votes on the Plan.

If you did not receive a Ballot in your Solicitation Package, and believe that you should have received a Ballot, please contact Jones & Walden, LLC, 21 Eighth Street, NE, Atlanta, Georgia 30309, (404) 564-9300 (Attn: Cameron McCord, Esq.).

**In order for your Ballot to count, it must be received within the time indicated on the Ballot and the Ballot must clearly indicate your Claim, the Class of your Claim and the amount of your Claim.**

**By enclosing a Ballot, Debtor is not admitting that you are entitled to vote on the Plan, is not admitting that your Claim is allowed as set forth on the Ballot, and is not waiving any right to object to your vote or your Claim.**

### **B. Who May Vote**

Only a holder of an Allowed Claim classified in an Impaired Class is entitled to vote on the Plan. As set forth in section 1124 of the Bankruptcy Code, a class is “Impaired” if legal, equitable, or contractual rights attaching to the claims or equity interests of that class are modified or altered.

Any class that is “unimpaired” is not entitled to vote to accept or reject a plan of reorganization and is conclusively presumed to have accepted the Plan.

A Claim must be “allowed” for purposes of voting in order for such creditor to have the right to vote. Generally, for voting purposes a Claim is deemed “allowed” absent an objection to the Claim if (1) a proof of claim was timely filed, or (ii) if no proof of claim was filed, the Claim is identified in Debtor’s Schedules as other than “disputed,” “contingent,” or “unliquidated,” and an amount of the Claim is specified in the Schedules, in which case the Claim will be deemed allowed for the specified amount. In either case, when an objection to a Claim is filed, the creditor holding the Claim cannot vote unless the Bankruptcy Court, after notice and hearing, either overrules the objection, or allows the Claim for voting purposes.

Debtor in all events reserves the right through the claim reconciliation process to object to or seek to disallow any claim for distribution purposes under the Plan.

### **C. Requirements of Confirmation**

The Bankruptcy Court can confirm the Plan only if all the requirements of § 1129 of the Bankruptcy Code are met. Those requirements include the following:

1. The Plan classifies Claims and Interests in a permissible manner;
2. The contents of the Plan comply with the technical requirements of the Bankruptcy Code;
3. The Plan has been proposed in good faith and not by any means forbidden by law;
4. The disclosures concerning the Plan are adequate and include information concerning all payments made or promised in connection with the Plan, as well as the identity, affiliations, and compensation to be paid to all officers, directors, and other insiders; and
5. The principal purpose of the Plan is not the avoidance of tax or the avoidance of the securities laws of the United States.

In addition to the confirmation requirements described above, Debtor hopes that the Plan will be approved by all Impaired Classes of Claims entitled to vote. If, however, the Plan has not been approved by all Impaired Classes of Claims, the Court may nevertheless “cram down” the Plan over the objections of a dissenting Class. The Plan may be “crammed down” so long as it does not discriminate unfairly, is fair and equitable with respect to each dissenting Class of Claims, and at least one Impaired Class has voted in favor of the Plan without regard to any votes of insiders. If necessary, Debtor will seek to “cram down” the Plan.

### **D. Acceptance or Rejection of the Plan and Cram Down**

The Class containing your Claim will have accepted the Plan by the favorable vote of a majority in number and two-thirds in amount of Allowed Claims actually voting. In the event that any Impaired Class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan if an Impaired Class accepts it and if, as to each Impaired Class that has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and equitable.” If you hold an Allowed Secured Claim, the Plan is fair and equitable if: (a) you retain your lien and receive deferred cash payments totaling the allowed amount of your Allowed Secured Claim, (b) the collateral is sold and your Lien attaches to the proceeds of the sale, or (c) you are otherwise provided with the “indubitable equivalent” of your Allowed Secured Claim. If you hold a Claim that is not an Allowed Secured Claim, and is not entitled to priority under § 507 of the Bankruptcy Code, the Plan is fair and equitable if you receive property of a value equal to the allowed amount of your Claim or if no junior Class receives or retains under the Plan on account of such junior interest any property.

**E. Confirmation Hearing**

The Bankruptcy Court has scheduled a hearing on confirmation of the Plan (“Confirmation Hearing”) at the time indicated in the Order Conditionally Approving this Disclosure Statement and providing Notice of Confirmation Hearing (the “Solicitation Order”). The Confirmation Hearing may be adjourned from time to time without further notice except for announcement at the Confirmation Hearing or notice to those parties present at the Confirmation Hearing.

**F. Objections to Confirmation**

As will be set forth in the Solicitation Order, any objections to confirmation of the Plan must be in writing, set forth the objector's standing to assert any such objection, and must be filed with the Bankruptcy Court and served on counsel for Debtor. The Solicitation Order contains all relevant procedures relating to the submission of objections to confirmation and should be reviewed in its entirety by any party who has an objection to confirmation.

**G. Whom to Contact for More Information**

If you have any questions about the procedure for voting on your Claim or the packet of materials you received, please contact Cameron M. McCord at Jones & Walden, LLC at the address indicated below or by telephone at (404) 564-9300.

If you wish to obtain additional copies of the Plan, this Disclosure Statement, or the exhibits to those documents, at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d), please contact Jones & Walden, LLC by one of the following methods:

Via U.S. Mail:  
Jones & Walden, LLC  
21 Eighth Street, NE  
Atlanta, GA 30309  
Attn: Amanda Rich

Via Facsimile:  
(404) 564-9301  
Attn: Amanda Rich

Via Email:  
arich@joneswalden.com

**III. Historical Background**

**A. Description of Debtor**

Debtor is a Georgia for profit corporation founded in 2002. Debtor is located at 1494 Old Salem Rd., Conyers, Georgia. Debtor owns and operates an automotive repair shop. Lane Andrew Walker is the 98% majority owner and the Debtor’s president. Debtor’s operations and history are further described in the below sections of the Disclosure Statement.

## **B. Current Management**

Debtor is currently managed by a full time shop manager and employs 3 full time employees and one part time employee.

## **C. Prepetition Assets and Liabilities**

a. Debtor's assets as of the Filing Date consist of (a) real property located at 1494 Old Salem Road, Conyers, GA 30013 valued at \$750,000.00, (b) a checking account at Regions Bank with \$7,129.19, (c) a savings account at Regions Bank with \$346.27, (d) various automotive parts with a value of \$10,568.54, (e) accounts receivable with a value of \$1,549.60, (f) various office furniture and equipment with an approximate value of \$2,000.00, (g) a Dodge Ram Pickup with a value of \$600.00, (h) various automotive tools and equipment with an approximate value of \$100,000.00, and (i) a customer list with an unknown value.

b. Debtor's liabilities consist of secured claims totaling approximately \$711,638.91 and general unsecured claims totaling approximately \$207,140.23. Information with respect to assets and liabilities was taken from Debtor's schedules.

## **IV. The Chapter 11 Case**

### **A. Reasons for Filing Chapter 11**

On or about June 24, 2002, Debtor acquired the automotive repair shop, Dickerson Automotive, as an operating business for the purchase price of approximately \$1,500,000.00. The seller was Randy Dickerson ("Dickerson") and the transaction included both the acquisition of the existing business' assets as well as the real property located at 1494 Old Salem Road, Conyers, GA. At the closing, Dickerson owner financed \$1,100,000.00 of the transaction as evidenced by the Security Deed between Debtor as borrower and Randy M. Dickerson as lender in the original principal amount of \$1,100,000.00 dated June 24, 2002, with a maturity date of July 1, 2022, and secured by Debtor's Real Property and an Assignment of Lease and Rents of even date thereof. Dickerson additionally owner financed a \$100,000.00 loan which was paid in full prior to the Filing Date. Prior to the Filing Date, due to cash flow short-falls, Debtor entered into a short-term factoring or merchant loan with CAN Capital. The payment terms on the CAN Capital loan were not sustainable and required Debtor to pay approximately \$280.00 per day. Debtor's cash flow was further harmed by intra-company theft by Debtor's former store manager. Debtor discovered that such former manager had been selling parts and stealing the cash, and providing services to Debtor's customers and stealing the cash payments. Importantly, Debtor's indebtedness to Genuine Parts Company/NAPA is a direct result of this former manager's actions, as such debt is for parts purchased through the Debtor and sold by the manager for cash that he stole rather than remitting it to the Debtor. Upon Debtor's discovery of the former manager's theft, Debtor fired the manager and reported him to the authorities. Debtor hired a new manager who has done an exemplary job of managing the Debtor's store. Debtor filed bankruptcy, because, despite the new manager stabilizing Debtor's business performance, the payments to CAN Capital coupled with Debtor's mortgage payments to Dickerson were not sustainable from a cash flow perspective. Debtor filed this bankruptcy to reorganize its financial

affairs and achieve sustainable and feasible payment terms with its creditors, including CAN Capital and Dickerson.

Since the Filing Date, Debtor has continued to operate as a debtor in possession and has filed monthly operating reports during such time.

## **V. Summary of the Plan**

**The following summary of the Plan provides only a brief description of its provisions. The summary is qualified in its entirety by the more detailed descriptions of the Plan in the Disclosure Statement and by the terms of the Plan itself.**

The Plan provides for payments to creditors of Debtor. Debtor believes that any alternative to confirmation of the Plan, such as liquidation, would result in significant delays, litigation, job loss and/or impaired recoveries. **For these reasons, Debtor urges you to return your Ballots accepting Debtor's Plan.**

The Plan contemplates the reorganization and ongoing business operations of Debtor and the resolution of the outstanding Claims against and Interests in Debtor pursuant to sections 1129(b) and 1123 of the Bankruptcy Code. The Plan classifies all Claims against and Interests in Debtor into separate Classes.

## **VI. Description of the Plan**

### **A. Retention of Property by Debtor**

Upon confirmation, Debtor will retain all of the property of the estate free and clear of liens, claims, and encumbrances not expressly retained by Creditors. Debtor will have the rights and powers to assert any and all Causes of Action (defined as all causes of action, choses in action, claims, rights, suits, accounts or remedies belonging to or enforceable by Debtor, including Avoidance Actions, whether or not matured or unmatured, liquidated or unliquidated, contingent or noncontingent, known or unknown, or whether in law or in equity, and whether or not specifically identified in Debtor's schedules). Debtor specifically reserves any cause of action related to other monies or receivables due. Neither the Disclosure Statement nor Plan shall be deemed a waiver of any right of Debtor to collect any receivable or right to payment under any applicable laws. Debtor expressly reserves the right to exercise any and all remedies available to Debtor regarding its accounts receivable or rights to payment at law or in equity, at such time or times as Debtor from time to time may elect. The Disclosure Statement and Plan are filed with a full reservation of rights.

### **B. Parties Responsible for Implementation of the Plan**

Upon confirmation, Debtor will be charged with administration of the Case. Debtor will be authorized and empowered to take such actions as are required to effectuate the Plan. Debtor will file all post-confirmation reports required by the United States Trustee's office. Debtor will also file the necessary final reports and will apply for a final decree as soon as practicable after

substantial consummation of the Plan, the completion of the claims analysis and objection process. Debtor may be authorized to reopen this case after the entry of a Final Decree to enforce the terms of the Plan including for the purpose of seeking to hold a party in contempt or to enforce the confirmation or discharge injunction or otherwise afford relief to Debtor. The fee associated with the Debtor's motion to reopen Debtor's case may be waived, and Debtor may not be responsible for payment of such to the Clerk of Court for the Bankruptcy Court of the Northern District of Georgia or otherwise.

**C. Liabilities of Debtor**

Debtor will not have any liabilities except those expressly assumed under the Plan. Debtor will be responsible for all ongoing expenses and payments due and owing under the confirmed Plan upon the terms provided in the confirmed Plan.

**D. Funding of the Plan**

The source of funds for the payments pursuant to the Plan is the continued operation of Debtor's automotive repair shop located at the Real Property. Additionally, Debtor intends to fund administrative expenses from the New Value in Class 8, if applicable.

The Debtor's monthly projections are set forth on Exhibit "A".

**E. Provisions Regarding Executory Contracts**

Debtor is not a party to any unexpired executory contracts.

Any unexpired leases or executory contracts which are not assumed herein or are the subject of a pending motion to assume as of the Effective Date shall be deemed rejected pursuant to Section 365 of the Bankruptcy Code on the Effective Date. A proof of claim for damages arising from such rejection must be filed in compliance with the Bankruptcy Rules on or before sixty (60) days after the Confirmation Date. Any claims which are not timely filed will be disallowed and discharged.

**F. Avoidance Actions and Retained Rights**

The Plan provides that Debtor shall retain all rights of action against others. The Plan also provides that Debtor shall retain "Avoidance Actions" under Chapter 5 of the Bankruptcy Code.

Debtor may also have Claims against others which are retained. Notwithstanding the foregoing, Debtor is reviewing records is not aware of any preference claims or fraudulent conveyance claims.

## **G. Treatment of Claims and Interests**

A brief summary of the Classes, the treatment of each Class, and the voting rights of each Class is set forth below. A complete description of the treatment of each Class is set forth in Article 4 of the Plan.

Nothing herein shall constitute an admission as to the nature, validity, or amount of claim. Debtor reserves the right to object to any and all claims.

Debtor reserves the right to pay any claim in full at any time in accordance with the terms of the Plan (i.e. at the percentage distribution designated in the Plan and including any accrued and unpaid interest, if any) without prepayment penalty.

### **6.1 Class 1: Secured or Priority Tax Claim of the Internal Revenue Service**

The Internal Revenue Service (“IRS”) filed proof of claim number 3, which was amended on September 16, 2016, to reflect a claim in the amount of \$0.00. Debtor listed the IRS as notice only in its schedules of liabilities. Debtor is not aware of any claim held by the IRS. The Court established July 8, 2016, as the Bar Date for filing proofs of claim. The Bar Date has passed. Accordingly, any claim asserted or assertable by the IRS on or before the Filing Date (the “Class 1 IRS Tax Claim”) shall: (i) be time barred and fixed at \$0.00 and (ii) any claim assessable or due and payable on or prior to the Filing Date shall be disallowed in its entirety and forever discharged. However, in the event the Court determines the IRS holds an Allowed Class 1 IRS Tax Claim, Debtor shall pay such Allowed Class 1 IRS Tax Claim in full within 60 months of the Filing Date in equal monthly payments commencing on the Effective Date and continuing by the 28<sup>th</sup> day of each subsequent month (or the next Business Day if the 28<sup>th</sup> day is not a Business Day) with interest accruing at the annual rate of 3.5% unless the IRS agrees to a lower interest rate or longer payment term. Any third-party payments or payments in excess of the scheduled distribution pursuant to Class 1 received by IRS after the Filing Date shall be applied to the principal tax obligation owed by Debtor pursuant to Class 1. To the extent the Class 1 IRS Tax Claim is asserted to be a secured claim, Debtor shows that no equity exists in Debtor’s assets to attach to the IRS’s security interest or lien upon Debtor’s property and such shall be cancelled and void upon entry of the Confirmation Order.

A failure by the Debtor to make a payment under Class 1 to the IRS pursuant to the terms of the Plan shall be an event of default as to the IRS. In the event of a default under Class 1, the IRS must send a Default Notice to Debtor in accordance with Article 2.3 of the Plan. Such Default Notice must contain the reason for the default and if such default is monetary, the amount of the default and amount necessary to cure the default and the address for payment, which will accept overnight deliveries, in the event of a monetary default. Receipt by Debtor’s Attorney shall not be deemed receipt by Debtor of the required Default Notice. In the event of an uncured default following proper Default Notice procedures and opportunity to cure pursuant to Article 2.3 of the Plan, the IRS may (a) enforce the entire amount of its then outstanding Allowed Class 1 IRS Tax Claim; (b) exercise any and all rights and remedies it may have under applicable non-bankruptcy law regarding the Allowed Class 1 IRS Tax Claim; and (c) seek such relief as may be appropriate in the Bankruptcy Court.

The amount of any claim of the IRS that is not otherwise assessable or due and payable on or prior to the Effective Date, and the right of the IRS, if any, to payment in respect thereto shall (i) be determined in the manner in which the amount of such Claim and the rights of the IRS would have been resolved or adjudicated if the Bankruptcy Case had not been commenced, (ii) survive after the Effective Date as if the Bankruptcy Case had not been commenced, and (iii) not be discharged pursuant to section 1141 of the Bankruptcy Code. However, the rights and treatment of the IRS and obligations and liability of Debtor or its property regarding any claim of the IRS against Debtor which was assessable or due and payable prior to the Effective Date shall be treated and fixed in accordance with the Plan, and any additional, other claims assessable or due and payable prior to the Effective Date and not timely asserted by the IRS in accordance with the Bankruptcy Code and the Plan and in all instances prior to entry of the Confirmation Order, shall be forever barred. Debtor reserves the right to pay any tax claim in full at any time.

The Claim of the Class 1 Creditor is Impaired by the Plan and the holder of the Class 1 Claim is entitled to vote to accept or reject the Plan.

Nothing herein shall constitute an admission as to the nature, validity, or amount of such claim. Debtor reserves the right to object to any and all claims.

## **6.2 Class 2: Secured or Priority Tax Claim of Georgia Department of Revenue**

Debtor listed the Georgia Department of Revenue (“GDR”) for notice only in its schedules of liabilities. Debtor is not aware of any claim held by the GDR. The Court established July 8, 2016, as the Bar Date for filing proofs of claim. The Bar Date has passed and the GDR has not filed a proof of claim. Accordingly, any claim asserted or assertable by the GDR on or before the Filing Date (the “Class 2 GDR Tax Claim”) shall: (i) be time barred and fixed at \$0.00 and (ii) any claim assessable or due and payable on or prior to the Filing Date shall be disallowed in its entirety and forever discharged. However, in the event the Court determines the GDR holds an Allowed Class 2 GDR Tax Claim, Debtor shall pay such Allowed Class 2 GDR Tax Claim in full within 60 months of the Filing Date in equal monthly payments commencing on the Effective Date and continuing by the 28<sup>th</sup> day of each subsequent month (or the next Business Day if the 28<sup>th</sup> day is not a Business Day) with interest accruing at the annual rate of 3.5% unless the GDR agrees to a lower interest rate or longer payment term. Any third-party payments or payments in excess of the scheduled distribution pursuant to Class 2 received by GDR after the Filing Date shall be applied to the principal tax obligation owed by Debtor pursuant to Class 2. To the extent the Class 2 GDR Tax Claim is asserted to be a secured claim, Debtor shows that no equity exists in Debtor’s assets to attach to the GDR’s security interest or lien upon Debtor’s property and such shall be cancelled and void upon entry of the Confirmation Order.

A failure by the Debtor to make a payment under Class 2 to the GDR pursuant to the terms of the Plan shall be an event of default as to the GDR. In the event of a default under Class 2, the GDR must send a Default Notice to Debtor in accordance with Article 2.3 of the Plan. Such Default Notice must contain the reason for the default and if such default is monetary, the amount of the default and amount necessary to cure the default and the address for payment,

which will accept overnight deliveries, in the event of a monetary default. Receipt by Debtor's Attorney shall not be deemed receipt by Debtor of the required Default Notice. In the event of an uncured default following proper Default Notice procedures and opportunity to cure pursuant to Article 2.3 of the Plan, the GDR may (a) enforce the entire amount of its then outstanding Allowed Class 2 GDR Tax Claim; (b) exercise any and all rights and remedies it may have under applicable non-bankruptcy law regarding the Allowed Class 2 GDR Tax Claim; and (c) seek such relief as may be appropriate in the Bankruptcy Court.

The amount of any claim of the GDR that is not otherwise assessable or due and payable on or prior to the Effective Date, and the right of the GDR, if any, to payment in respect thereto shall (i) be determined in the manner in which the amount of such Claim and the rights of the GDR would have been resolved or adjudicated if the Bankruptcy Case had not been commenced, (ii) survive after the Effective Date as if the Bankruptcy Case had not been commenced, and (iii) not be discharged pursuant to section 1141 of the Bankruptcy Code. However, the rights and treatment of the GDR and obligations and liability of Debtor or its property regarding any claim of the GDR against Debtor which was assessable or due and payable prior to the Effective Date shall be treated and fixed in accordance with the Plan, and any additional, other or amended claims assessable or due and payable prior to the Effective Date and not timely asserted or amended by the GDR in accordance with the Bankruptcy Code and the Plan and in all instances prior to entry of the Confirmation Order, shall be forever barred. Debtor reserves the right to pay any tax claim in full at any time.

The Claim of the Class 2 Creditor is Impaired by the Plan and the holder of the Class 2 Claim is entitled to vote to accept or reject the Plan.

Nothing herein shall constitute an admission as to the nature, validity, or amount of such claim. Debtor reserves the right to object to any and all claims.

### **6.3 Class 3: Priority and Secured Tax Claims of Governmental Units Not Otherwise Classified in the Plan**

Class 3 shall consist of any Priority or Secured Claim of a governmental unit entitled to priority under 11 U.S.C. §507(a)(8), which are not otherwise specifically classified in the Plan ("Class 3 Governmental Unit Priority Tax Claim"). Debtor is not aware of any Holders of Class 3 Governmental Unit Priority Tax Claim not otherwise classified in the Plan. In the event any governmental unit asserts a secured tax claim pursuant to Class 3, Debtor shows that its assets are fully encumbered and no value exists to attach to such security interest or lien upon Debtor's property and such shall be cancelled and void upon entry of the Confirmation Order. Debtor may file the Confirmation Order on the lien records as evidence of this cancellation. In the event there are Allowed Holders of Class 3 Governmental Unit Priority Tax Claims, Debtor shall pay such Allowed Class 3 Government Unit Priority Tax Claims at the rate of \$100 per month commencing on the Effective Date and continuing by the 28<sup>th</sup> day of each subsequent month (or the next Business Day if the 28<sup>th</sup> day is not a Business Day), with interest accruing at the annual rate of 3.5% or such other rate as required by the Bankruptcy Code, with a final balloon payment on the 5<sup>th</sup> anniversary of the Filing Date (i.e. March 9, 2021). Debtor reserves the right to pay any Class 3 Governmental Unit Priority Tax Claim in full at any time.

A failure by the Debtor to make a payment under Class 3 to a Holder of an Allowed Class 3 Governmental Unit Priority Tax Claim pursuant to the terms of the Plan shall be an event of default as to the applicable Holder. In the event of a default under Class 3, the applicable Holder must send a Default Notice to Debtor in accordance with Article 2.3 of the Plan. Such Default Notice must contain the reason for the default and if such default is monetary, the amount of the default and amount necessary to cure the default and the address for payment, which will accept overnight deliveries, in the event of a monetary default. Receipt by Debtor's Attorney shall not be deemed receipt by Debtor of the required Default Notice. In the event of an uncured default following proper Default Notice procedures and opportunity to cure pursuant to Article 2.3 of the Plan, the applicable Holder may (a) enforce the entire amount of its then outstanding Allowed Class 3 Governmental Unit Priority Tax Claim; (b) exercise any and all rights and remedies it may have under applicable non-bankruptcy law regarding the Allowed Class 3 Governmental Unit Priority Tax Claim; and (c) seek such relief as may be appropriate in the Bankruptcy Court.

The amount of any claim of a governmental unit that is not assessed or assessable on or prior to the Effective Date, and the right of the particular governmental unit, if any, to payment in respect thereto shall (i) be determined in the manner in which the amount of such Claim and the rights of the particular governmental unit would have been resolved or adjudicated if the Bankruptcy Case had not been commenced, (ii) survive after the Effective Date as if the Bankruptcy Case had not been commenced, and (iii) not be discharged pursuant to section 1141 of the Bankruptcy Code if applicable. However, the rights and treatment of a governmental unit and obligations and liability of Debtor or its property regarding any claim of a governmental unit against Debtor which was assessable or due and payable prior to the Effective Date shall be treated and fixed in accordance with the Plan, and any additional, other or amended claims assessable or due and payable prior to the Effective Date and not timely asserted or amended by a governmental unit in accordance with the Bankruptcy Code and the Plan and in all instances prior to entry of the Confirmation Order, shall be forever barred. Debtor reserves the right to pay any tax claim in full at any time.

The Holder of an Allowed Class 3 Governmental Unit Priority Tax Claim is impaired and entitled to vote to accept or reject the Plan. Nothing contained herein shall prohibit Debtor from objecting to the Class 3 Claims for any reason.

#### **6.4 Class 4: 1<sup>st</sup> Priority Secured Claim of Randy M. Dickerson**

Class 4 consists of the secured claim of Randy M. Dickerson ("Dickerson"). Debtor scheduled Dickerson as holding a secured claim in the amount of \$594,000.00 (such amount or such other amount as allowed by the Bankruptcy Court prior to entry of the Confirmation Order with interest accruing herein shall be referred to as the "Class 4 Secured Claim"). The Class 4 Secured Claim is secured by a first priority lien on Debtor's Real Property<sup>1</sup> and Debtor's leases, rents and fixtures of the Real Property (collectively the "Dickerson Collateral"). Dickerson's first priority lien and security interest in the Dickerson Collateral is evidenced by (i) the Deed to Secure Debt naming Dickerson as lender and Debtor as borrower recorded on July 1, 2002, with

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<sup>1</sup> Real Property shall refer to the real property located at 1494 Old Salem Rd, Conyers, GA as more particularly described on Exhibit "A" to the Plan.

a maturity date of July 1, 2022, in the land records of Fulton County, Georgia, deed book 2355, page 294 *et seq*; (ii) the Assignment of Leases and Rents recorded in said land records July 1, 2002, in deed book 2355, page 303 *et seq*; (iii) the UCC fixture financing statement recorded in said land records in deed book 2355, page 292 *et seq* (which remains perfected as to fixtures); and (iv) Modification Agreement to Deed to Secure Debt recorded in said land records on May 1, 2015, in deed book 5692, page 314 *et seq* (collectively the “Dickerson Loan Documents”).

Debtor shall pay the Class 4 Secured Claim to Dickerson with interest accruing on the principal balance of the Class 4 Secured Claim at the annual rate of 5.00% in equal monthly payments of \$3,472.46 each commencing on the Effective Date and continuing by the 28<sup>th</sup> day of each subsequent month (or the next business day if the 28<sup>th</sup> does not fall on a business day) with a final payment for then outstanding balance of the Class 4 Secured Claim on or by July 1, 2030 (the “Class 4 Maturity Date”). Any payments received by Dickerson on or after the Effective Date shall be referred to herein as the “Class 4 Secured Claim Payments.” The Class 4 Secured Claim Payments shall be applied first to accrued and unpaid interest which accrues on the Class 4 Secured Claim in accordance with the Plan and then to principal. Dickerson shall retain its lien and security interest in the Dickerson Collateral to the same priority and validity as existed on the Filing Date and to the extent of the Allowed Class 4 Secured Claim (i.e. \$594,000.00 or such other amount as allowed by the Court on or by the entry of the Confirmation Order); however, Dickerson shall release its lien on and security interest in the Dickerson Collateral for a payment of the then outstanding allowed Class 4 Secured Claim less any payment previously received and applied pursuant to this Plan. Upon request by Debtor, Dickerson shall promptly provide the then outstanding balance of the Class 4 Secured Claim and an accounting including all payments received and their application since the Filing Date. Debtor shall maintain reasonably adequate insurance on the Dickerson Collateral during the term of the distributions on the Class 4 Secured Claim.

In the event Debtor defaults on payments pursuant to Class 4 of the Plan or otherwise defaults under Class 4 of the Plan, Dickerson shall send a Default Notice to Debtor in accordance with Article 2.3 of the Plan, which must contain the basis for declaring a default, and, in the event of a monetary default, the notice must state the amount necessary to cure the default and an address that will accept overnight deliveries. If Debtor does not cure the default in the period provided in Article 2.3 of the Plan, Dickerson shall be authorized to accelerate the Class 4 Secured Claim and exercise its state law rights and remedies against the Dickerson Collateral.

Nothing herein shall constitute an admission as the nature, validity, or amount of claim. Debtor reserves the right to object to any and all claims for any reason.

The holder of the Class 4 Secured Claim is impaired and entitled to vote to accept or reject the Plan.

#### **6.5 Class 5: Secured Claim of CAN Capital Asset Servicing**

Class 5 consists of the secured claim of CAN Capital Asset Servicing (“CAN Capital”). Debtor scheduled CAN Capital as holding a secured claim in the amount of \$117,638.91. CAN Capital filed proof of claim number 5 in the amount of \$109,277.63 (such amount less payments

received by CAN Capital after the Filing Date but before the Effective Date shall be referred to herein as the “Class 5 Secured Claim”). The Class 5 Secured Claim is secured by a first priority lien on Debtor’s present and future accounts, chattel paper, personal property, general intangibles, instruments, equipment and inventory (collectively the “CAN Capital Collateral”) as evidenced by the UCC Financing Statement filed in the records of Rockdale County, Georgia as file number 122-2014-001543 on September 24, 2014.

Debtor shall pay the Class 5 Secured Claim in equal monthly payments of \$1,080.60 each commencing on the Effective Date and continuing by the 28<sup>th</sup> day of each subsequent month until the Class 5 Secured Claim is paid in full with interest accruing at the annual rate of 3.5%. Any payments received by CAN Capital on or after the Effective Date shall be referred to herein as the “Class 5 Secured Claim Payments.” The Class 5 Secured Claim Payments shall be applied first to accrued and unpaid interest which accrues on the Class 5 Secured Claim in accordance with the Plan and then to principal. Any payments received by CAN Capital after the Filing Date but before the Effective Date shall be applied to the principal balance of the Class 5 Secured Claim. CAN Capital shall retain its lien and security interest in the CAN Capital Collateral to the same priority and validity as existed on the Filing Date and to the extent of the Class 5 Secured Claim (i.e. \$109,277.63 as of the Filing Date); however, CAN Capital shall release its lien on and security interest in the CAN Capital Collateral for a payment of the then outstanding allowed Class 5 Secured Claim less any payment previously received and applied pursuant to this Plan. Upon request by Debtor, CAN Capital shall promptly provide the then outstanding balance of the Class 5 Secured Claim and an accounting including all payments received and their application since the Filing Date.

In the event Debtor defaults on payments pursuant to Class 5 of the Plan or otherwise defaults under Class 5 of the Plan, CAN Capital shall send a Default Notice to Debtor in accordance with Article 2.3 of the Plan, which must contain the basis for declaring a default, and, in the event of a monetary default, the notice must state the amount necessary to cure the default and an address that will accept overnight deliveries. If Debtor does not cure the default in the period provided in Article 2.3 of the Plan, CAN Capital shall be authorized to accelerate the Class 5 Secured Claim and exercise its state law rights and remedies against the CAN Capital Collateral.

Nothing herein shall constitute an admission as the nature, validity, or amount of claim. Debtor reserves the right to object to any and all claims for any reason.

The holder of the Class 5 Secured Claim is impaired and entitled to vote to accept or reject the Plan.

#### **6.6 Class 6: Any Asserted Secured Claim of American Express Bank, FSB**

Class 6 consists of any Asserted Secured Claim of American Express Bank, FSB (“AMEX”). Debtor amended its schedules to list AMEX for notice only regarding the UCC Financing Statement identified as file number 007-2014-007736 filed on March 28, 2014, in the records of Barrow County, Georgia (the “AMEX UCC”) and any other or further asserted claim of AMEX. Debtor shows that any indebtedness to AMEX was paid in full prior to the Filing

Date, and AMEX does not hold any claims against Debtor and any and all liens or security interests asserted or assertable by AMEX in Debtor’s assets, including the Real Property, CAN Capital Collateral or otherwise, shall be null and void and of no further force and effect and shall not survive the confirmation of the Plan. Upon request by Debtor, AMEX shall provide documentation and releases as reasonably necessary to confirm such cancellation of any lien and security interest in Debtor’s assets. Debtor shall be authorized to file a UCC Termination Statement and/or the Confirmation Order on the Rockdale County real property records and any UCC lien records reflecting the release and cancellation of any lien or security interest in Debtor’s assets held by AMEX. AMEX shall not hold any claim against Debtor and any asserted claim shall be null, void and allowed to the extent of \$0.00.

Nothing herein shall constitute an admission as the nature, validity, or amount of claim. Debtor reserves the right to object to any and all claims for any reason.

**6.7 Class 7: General Unsecured Claims**

Class 7 shall consist of General Unsecured Claims. Holders of General Unsecured Claims shall share pro-rata quarterly distributions of \$1,050.00 each commencing on the 28<sup>th</sup> day of March, 2017 and continuing on 28<sup>th</sup> day of the final month of each subsequent quarter (i.e. March, June, Sept, and December) for a total of 20 quarterly payments. Debtor anticipates and projects but does not warrant the following Holders of Class 7 Claims and the following distributions:

<b>Anticipated Holders</b>	<b>Scheduled Amount</b>	<b>POC Amount</b>	<b>Est. Claim</b>	<b>Estimated Quarterly Distribution</b>	<b>Estimated Total Distribution</b>	<b>Estimated Total % Distribution</b>
Genuine Parts Company/NAPA	\$11,000.00		\$11,000.00	\$55.74	\$1,114.79	10.13%
Office Depot	\$396.53		\$396.53	\$2.01	\$40.19	10.13%
O'Reilly Auto Parts	\$866.20		\$866.20	\$4.39	\$87.78	10.13%
Walker, Andy & Sherry	\$34,563.66		\$34,563.66	\$175.14	\$3,502.83	10.13%
Walker, Ruth & Albert	\$151,354.84		\$151,354.84	\$766.95	\$15,338.93	10.13%
Wells Fargo Bank, N.A.	\$4,205.00	\$1,705.56	\$1,705.56	\$8.64	\$172.85	10.13%
Wells Fargo Bank, N.A.	\$0.00	\$2,583.84	\$2,583.84	\$13.09	\$261.86	10.13%
Yellow Pages (YP, LLC aka YP Southeast Advertising & Publishing)	\$4,754.00	\$4,744.00	\$4,744.00	\$24.04	\$480.78	10.13%
<b>Total</b>			<b>\$207,214.63</b>	<b>\$1,050.00</b>	<b>\$21,000.00</b>	<b>10.13%</b>

The Claims of the Class 7 Creditors are Impaired by the Plan and the holders of Class 7 Claims are entitled to vote to accept or reject the Plan.

Nothing herein shall constitute an admission as to the nature, validity, or amount of the Class 7 Claim. Debtor reserves the right to object to any and all claims.

#### **6.8 Class 8: Interest Claims**

Class 8 consists of Interest Claims. If the Class 7 General Unsecured Creditors vote to accept the Plan as a class, then Andy Walker shall retain 98% of the interest in the Debtor and Keith Walker shall retain 2% of the interest in the Debtor.

If the Class 7 Unsecured Creditors do not vote to accept the Plan, as a class, then the following terms shall apply:

All pre-petition Interests in Debtor shall be cancelled. Andy Walker shall receive 98% of the newly-issued stock in the Debtor upon the Effective Date in exchange for the payment of \$9,800.00 and Keith Walker shall receive 2% of the newly-issued stock in the Debtor upon the Effective Date in exchange for the payment of \$200.00, which such funds shall be used to pay administrative expense claims and otherwise fund the operations and plan obligations of the Debtor. The \$10,000.00 contribution by the principals of the Debtor shall constitute “new value.” New value is the vehicle through which current equity holders purchase the equity interest of the Debtor. Efforts of an existing equity holder to purchase the equity interest of the Debtor may be subject to competing bids in the market place under certain circumstances. Specifically, if Class 7 General Unsecured Creditors do not vote to accept the Plan as a class as set forth in this provision, then, in that event third parties may be able to purchase the equity interest of the Debtor by appearing at the Confirmation Hearing and submitting a higher bid for the equity interests. The requirements for and validity and sufficiency of any such competing bid shall be subject to the approval and review of the Court.

The holders of Class 8 Claims are entitled to vote to accept or reject the Plan.

### **VII. Administrative Expenses**

Treatment of administrative expense claims is set forth in Article 5 of the Plan and summarized below.

7.1 Summary. Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims against Debtor are not classified for purposes of voting on, or receiving Distributions under the Plan. Holders of such Claims are not entitled to vote on the Plan. All such Claims are instead treated separately in accordance with Article 5 of the Plan and in accordance with the requirements set forth in section 1129(a)(9)(A) of the Bankruptcy Code.

With respect to potential Administrative Expense Claims, Debtor, pursuant to Court order, retained the law firm of Jones & Walden, LLC (“Firm”) to serve as bankruptcy counsel. As set forth in the employment application and supporting documents, the Firm received a

prepetition retainer in the amount of \$22,000.00. As of the date hereof, the fees and expenses incurred by the Firm have not exceeded the retainer. Debtor shall pay any unpaid allowed Administrative Expense Claim held by the Firm on the Effective Date unless otherwise agreed to by the Firm. Debtor is paying post-petition bills and does not expect any claims for unpaid post-petition goods and services other than possible professional fees. Debtor will incur quarterly trustee fees which Debtor intends to pay when due.

## 7.2 Administrative Expense Claims.

7.2.1 Subject to the provisions of sections 328, 330(a) and 331 of the Bankruptcy Code, each holder of an Allowed Administrative Expense Claim will be paid the full unpaid amount of such Allowed Administrative Expense Claim in Cash on the latest of (1) the Effective Date, (ii) as soon as practicable after the date on which such Claim becomes an Allowed Administrative Expense Claim, (iii) upon such other terms as may be agreed upon by such holder and Debtor, or (iv) as otherwise ordered by the Bankruptcy Court; provided, however, that Allowed Administrative Expense Claims representing obligations incurred by Debtor in the ordinary course of business, or otherwise assumed by Debtor on the Effective Date pursuant to this Plan, including any tax obligations arising after the Effective Date, will be paid or performed by Debtor when due in accordance with the terms and conditions of the particular agreements or non-bankruptcy law governing such obligations.

7.2.2 Except as otherwise provided in this Plan, any Person holding an Administrative Expense Claim, other than an Administrative Expense Claim arising from the operation by Debtor of its business in the ordinary course of business, shall file a proof of such Administrative Expense Claim with the Bankruptcy Court within thirty (30) days after the Confirmation Date. At the same time any Person files an Administrative Expense Claim, such Person shall also serve a copy of the Administrative Expense Claim upon counsel for Debtor. Any Person who fails to timely file and serve a proof of such Administrative Expense Claim shall be forever barred from seeking payment of such Administrative Expense Claims by Debtor or the Estate.

7.2.3 Any Person seeking an award by the Bankruptcy Court of Professional Compensation shall file a final application with the Bankruptcy Court for allowance of Professional Compensation for services rendered and reimbursement of expenses incurred through the Effective Date within thirty (30) days after the Confirmation Date or by such other deadline as may be fixed by the Bankruptcy Court.

The Plan provides that Debtor may pay professional fees incurred after confirmation of the Plan without Court approval. Debtor shall pay all pre-confirmation fees of professionals as payment of same is approved by the Court unless otherwise agreed by such professionals.

## **VIII. Tax Consequences**

Tax consequences resulting from confirmation of the Plan can vary greatly among the various Classes of Creditors and holders of Interests, or within each Class. Significant tax consequences may occur as a result of confirmation of the Plan under the Internal Revenue Code

and pursuant to state, local, and foreign tax statutes. Because of the various tax issues involved, the differences in the nature of the Claims of various Creditors, the taxpayer status and methods of accounting and prior actions taken by Creditors with respect to their Claims, as well as the possibility that events subsequent to the date hereof could change the tax consequences, this discussion is intended to be general in nature only. No specific tax consequences to any Creditor or holder of an Interest are represented, implied, or warranted. Each holder of a Claim or Interest should seek professional tax advice.

**The proponent assumes no responsibility for the tax effect that consummation of the Plan will have on any given Holder of a Claim or Interest. Holders of Claims or Interest are strongly urged to consult their own tax advisors covering the federal, state, local and foreign tax consequences of the Plan to their individual situation.**

**IX. Liquidation Analysis**

Debtor sets forth the following liquidation test:

In the event Debtor’s estate is liquidated, the unsecured creditors would not receive any return. Conversion and liquidation under Chapter 7 of the Bankruptcy Code would result in the appointment of a Chapter 7 trustee and the liquidation of assets. Assets disposed of by “liquidation” or “fire” sale generally generate significantly less proceeds than assets that are marketed and sold as a going concern.

A Chapter 7 trustee would incur trustee’s fees pursuant to 11 U.S.C. §326(a) of the Bankruptcy Code<sup>2</sup> as well as other costs associated with liquidation such as broker fees and attorney fees. The liquidation analysis is further set forth below<sup>3</sup>.

**Real Property Liquidation**

Property	Scheduled Value	Liquidation Value	Broker Fees	2016 Taxes	Net Proceeds Before Secured Claim	Secured Creditor	Net Proceeds
1494 Old Salem Rd Conyers, GA	\$750,000	\$600,000	\$60,000	\$6,746	\$533,254	\$594,000	\$(60,746)

<sup>2</sup> 11 USC §326(a) states that a Chapter 7 trustee would incur trustee’s fees equal to 25% of the first \$5,000.00 of Liquidation Value of Assets; 10% of amount in excess of \$5,000.00 but not in excess of \$50,000.00 of Liquidation Value of Assets; 5% of any amount in excess of \$50,000.00 but not in excess of \$1,000,000.00; 3% of any amount in excess of \$1,000,000.00 of the Liquidation Value of Asset, and commissions for auctioneers for personal property generally is equivalent to ten (10%) percent of the gross sales price and commissions for real property brokers is generally six percent (6%) of the gross sales price. In addition, the attorney for the Chapter 7 trustee would incur attorney’s fees as would the current Chapter 11 attorneys. Liquidation Value of real property assumed at 80% of scheduled fair market value, Liquidation Value of personal property, tools and equipment, inventory and accounts receivable assumed at 60% of scheduled fair market value.

**Assets Secured by CAN Capital Lien**

<b>Property</b>	<b>Scheduled Value</b>	<b>Liquidation Value</b>	<b>Broker Fees</b>	<b>Net Proceeds Before Secured Claim</b>	<b>CAN Capital Secured Claim</b>	<b>Net Proceeds</b>
Accounts Receivable	\$1,549.60	\$929.76	\$92.98	\$836.78		
Regions Checking Account	\$7,129.19	\$7,129.19	\$0.00	\$7,129.19		
Regions Savings Account	\$346.27	\$346.27	\$0.00	\$346.27		
Automotive parts	\$10,568.54	\$6,341.12	\$634.11	\$5,707.01		
Furniture	\$1,000.00	\$600.00	\$60.00	\$540.00		
2 Computers and Printer	\$1,000.00	\$600.00	\$60.00	\$540.00		
Automotive Tools and Equipment	\$100,600.00	\$60,360.00	\$6,036.00	\$54,324.00		
<b>TOTALS</b>				\$69,747.26	\$109,277.63	\$(39,530.37)

**Other Assets**

Dodge Ram	\$600.00	\$360.00	\$36.00	\$324.00		\$324.00
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<b>Total Net Proceeds from Liquidation Before Trustee and Admin Fees</b>	<b>\$324.00</b>
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Under the Plan, general unsecured creditors will receive a pro-rata share of \$21,000.00. However, in liquidation, the assets would fail to generate any return to unsecured creditors.

**X. Procedures for Treating and Resolving Disputed Claims**

**A. Objection to Claims**

The Plan provides that Debtor shall be entitled to object to Claims, provided, however, that Debtor shall not be entitled to object to Claims (i) that have been Allowed by a Final Order entered by the Bankruptcy Court prior to the Effective Date or (ii) that are Allowed by the express terms of the Plan.

**B. No Distributions Pending Allowance**

Except as otherwise provided in the Plan, no Distributions will be made with respect to any portion of a Claim unless and until (i) Debtor has determined no objection to such Claim has been filed, or (ii) any pending objection to such Claim has been settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy Court.

**C. Estimation of Claims**

Debtor may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to the Bankruptcy Code regardless of whether Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another.

**C. Resolution of Claims Objections**

On and after the Effective Date, Debtor shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Claims without approval of the Bankruptcy Court.

**XI. Conditions Precedent to the Effective Date**

**A. Conditions to Confirmation**

The following are conditions precedent to confirmation of the Plan that may be satisfied or waived in accordance with Article 11.3 of the Plan: (a) the Bankruptcy Court shall have approved a Disclosure Statement with respect to the Plan; and (b) the Confirmation Order shall have been signed by the Bankruptcy Court and entered on the docket of the Bankruptcy Court.

**B. Conditions to Effective Date**

The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 11.2 of the Plan.

- (a) The Confirmation Order shall not have been vacated, reversed or modified and, as of the Effective Date, shall not be stayed.

- (b) All documents and agreements to be executed on the Effective Date or otherwise necessary to implement the Plan shall be in form and substance that is acceptable to Debtor, in its reasonable discretion.
- (c) Debtor shall have received any authorization, consent, regulatory approval, ruling, letter, opinion, or document that may be necessary to implement this Plan and that is required by law, regulation, or order.

Under the Plan, each of the conditions set forth above may be waived, in whole or in part, by Debtor without any notice to any other parties in interest or the Bankruptcy Court and without a hearing. The failure to satisfy or waive any condition to the Effective Date may be asserted by Debtor in its sole discretion regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by Debtor in its sole discretion). The failure of Debtor to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

## **XII. Certain Effects of Confirmation**

### **A. Vesting of Debtor's Assets**

Except as otherwise explicitly provided in the Plan, upon the Court's entry of the Confirmation Order, all property comprising the Estate (including Retained Actions, but excluding property that has been abandoned pursuant to an order of the Bankruptcy Court) shall revert in Debtor free and clear of all Claims, Liens, charges, encumbrances, rights and Interests of creditors and equity security holders, except as specifically provided in the Plan. As of the earlier of the Effective Date and the entry of a Final Decree, Debtor may operate its business and use, acquire, and dispose of property and settle and compromise Claims or Interests without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and Confirmation Order.

### **B. Discharge of Debtor**

Pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in the Confirmation Order, the Distributions and rights that are provided in the Plan shall be in complete satisfaction, discharge, and release of all Claims and Causes of Action, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in Debtor or its Estate that arose prior to the Effective Date regardless of whether a claimant accepted or rejected the Plan.

### **C. Setoffs**

Debtor may, but shall not be required to, set off against any Claim, and the payments or other Distributions to be made pursuant to this Plan in respect of such Claim, claims of any nature whatsoever that Debtor may have now or in the future against such Holder; but neither the

failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by Debtor of any such claim that Debtor may have against such Holder.

**D. Releases of Claims by Holders of Claims**

Except as otherwise specifically provided for in the Plan, upon the entry of a Confirmation Order (a) each Person that votes to accept the Plan or is presumed to have voted for the Plan pursuant to Section 1126(f) of the Bankruptcy Code; and (b) to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, each Entity or Person, that has held, holds, or may hold a Claim or interest (each, a "Release Obligor"), in consideration for the obligations of Debtor under the Plan and the case, shall have conclusively, absolutely, unconditionally, irrevocably and forever, released Debtor from any (i) Claim or (ii) causes of action existing as of the Effective Date (whether arising from, based on or relating to, in whole or in part, the subject matter of, or the transaction or event giving rise to the Claim or claim for relief of such Release Obligor), and (iii) any act, omission, occurrence or event in any manner related to such subject matter, transaction or obligation.

**E. Injunction**

Upon entry of a Confirmation Order in this case, except as provided for in this Plan, the Confirmation Order shall act as a permanent injunction against any Person commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim or Cause of Action except as provided for under the Plan against: (1) Debtor, or (2) against any property of Debtor. Such injunction shall survive the closure of the Bankruptcy Case and this Court shall retain jurisdiction to enforce such injunction.

**F. Miscellaneous Plan Provisions**

**1. Modification of Plan**

Debtor shall be allowed to modify the Plan pursuant to section 1127 of the Bankruptcy Code to the extent applicable law permits. Subject to the limitations contained in the Plan, pursuant to Article 13.1 of the Plan, Debtor may modify the Plan, before or after confirmation, without notice or hearing, or after such notice and hearing as the Bankruptcy Court deems appropriate, if the Bankruptcy Court finds that the Modification does not materially and adversely affect the rights of any parties in interest which have not had notice and an opportunity to be heard with regard thereto. In the event of any modification on or before confirmation, any votes to accept or reject the Plan shall be deemed to be votes to accept or reject the Plan as modified, unless the Bankruptcy Court finds that the modification materially and adversely affects the rights of parties in interest which have cast said votes. Debtor reserves the right in accordance with section 1127 of the Bankruptcy Code to modify the Plan at any time before the Confirmation Date.

## 2. Retention of Jurisdiction

The Plan provides that subsequent to the Effective Date, the Bankruptcy Court shall have or retain jurisdiction for the following purposes:

- (a) To adjudicate objections concerning the allowance, priority or classification of Claims and any subordination thereof, and to establish a date or dates by which objections to Claims must be filed to the extent not established in the Plan;
- (b) To liquidate the amount of any disputed, contingent or unliquidated Claim, to estimate the amount of any disputed, contingent or unliquidated claim, to establish the amount of any reserve required to be withheld from any distribution under the Plan on account of any disputed, contingent or unliquidated claim;
- (c) To resolve all matters related to the rejection, assumption and/or assignment of any Executory Contract or Unexpired Lease of Debtor;
- (d) To hear and rule upon all Retained Actions, Avoidance Actions and other Causes of Action commenced and/or pursued by Debtor;
- (e) To hear and rule upon all applications for Professional Compensation;
- (f) To remedy any defect or omission or reconcile any inconsistency in the Plan, as may be necessary to carry out the intent and purpose of the Plan;
- (g) To construe or interpret any provisions in the Plan and to issue such orders as may be necessary for the implementation, execution and consummation of the Plan, to the extent authorized by the Bankruptcy Code;
- (h) To adjudicate controversies arising out of the administration of the Estate or the implementation of the Plan;
- (i) To make such determinations and enter such orders as may be necessary to effectuate all the terms and conditions of the Plan, including the Distribution of funds from the Estate and the payment of claims;
- (j) To determine any suit or proceeding brought by Debtor to recover property under any provisions of the Bankruptcy Code;
- (k) To hear and determine any tax disputes concerning Debtor and to determine and declare any tax effects under the Plan;
- (l) To determine such other matters as may be provided for in the Plan or the Confirmation Order or as may be authorized by or under the provisions of the Bankruptcy Code;

- (m) To determine any controversies, actions or disputes that may arise under the provisions of the Plan, or the rights, duties or obligations of any Person under the provisions of the Plan;
- (n) To adjudicate any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of, or in connection with, any agreement pursuant to which Debtor sold any of its assets during the Bankruptcy Cases;
- (o) To enter a final decree; and
- (p) To enforce and interpret any order or injunctions entered in this Bankruptcy Case.

### **3. Distributions**

- (a) Disbursing Agent. Unless otherwise provided for herein, all Distributions under this Plan shall be made by Debtor or its agent.
- (b) Distributions of Cash. Any Distribution of Cash made by Debtor pursuant to this Plan shall, at Debtor's option, be made by check drawn on a domestic bank or by wire transfer from a domestic bank or in any other form of cash or cash equivalent.
- (c) No Interest on Claims or Interests. Unless otherwise specifically provided for in this Plan, the Confirmation Order, or a postpetition agreement in writing between the Debtor and a Holder, postpetition interest shall not accrue or be paid on Claims, and no Holder shall be entitled to interest accruing on or after the Filing Date on any Claim. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final determination is made when and if such Disputed Claim becomes an Allowed Claim.
- (d) Delivery of Distributions. The Distribution to a Holder of an Allowed Claim shall be made by Debtor (a) at the address set forth on the proof of claim filed by such Holder, (b) at the address set forth in any written notices of address change delivered to Debtor after the date of any related proof of claim, (c) at the addresses reflected in the Schedules if no proof of claim has been filed and Debtor has not received a written notice of a change of address, or (d) if the Holder's address is not listed in the Schedules, at the last known address of such Holder according to the Debtor's books and records.
- (e) If any Distribution on an Unsecured Claim ("Unsecured Distribution") is tendered by Debtor to a Holder of an Unsecured Claim and returned as undeliverable, refused or otherwise returned ("Unsecured Distribution Refusal"), Debtor shall not be responsible for making any further Unsecured Distribution on account of such Unsecured Claim. Accordingly, in the event of an Unsecured Distribution Refusal, Debtor shall be relieved of any obligation to make said payment or

Distribution and Debtor is relieved of any obligation to make further payments or Distributions on such Unsecured Claim under the Plan.

If any Distribution on a Secured Claim or Priority Claim (“Secured or Priority Distribution”) is tendered by Debtor to a Holder of a Secured Claim or Priority Claim and returned as undeliverable, refused or otherwise returned (“Secured or Priority Distribution Refusal”), the Holder of such Secured Claim or Priority Claim, as applicable, shall be deemed to have waived its right to such tendered payment or Distribution and such tendered payment or Distribution shall be deemed satisfied. In the event of a Secured or Priority Distribution Refusal, any obligation of Debtor to make any additional or further payment on such Secured Claim or Priority Claim shall be tolled until such time as: (i) notice is provided to Debtor that the Holder of such Secured Claim or Priority Claim seeks to receive payments from Debtor on the Secured Claim or Priority Claim or otherwise seeks to enforce Debtor’s obligations under the Plan or otherwise enforce the Secured Claim or Priority Claim and (ii) any dispute regarding the Secured or Priority Distribution Refusal and its implications is resolved by agreement of the parties or the Bankruptcy Court (the “Tolling Period”). Only in the event of such notice to Debtor shall Debtor’s obligations to perform as to the applicable Secured Claim or Priority Claim resume. The Tolling Period shall: (i) extend the term of the payments on such Secured Claim or Priority Claim and (ii) bar any interest from accruing on the Secured Claim or Priority Claim until such time as any dispute regarding the Secured or Priority Distribution Refusal shall be resolved by Final Order. Notwithstanding anything in the Plan, or any loan document, agreement or otherwise to the contrary, no provision allowing the imposition of late fees, default interest, late charges, damages, or costs and fees against the Debtor or the Debtor’s property shall be applicable during the Tolling Period or any period during which a dispute regarding a Tolling Period is being resolved. For purposes of clarification, Debtor shall not be required to make any lump sum cure of payments or Distributions which would have otherwise come due during (i) the Tolling Period or (ii) any period during which a dispute regarding a Tolling Period is unresolved, and Debtor shall recommence Distributions upon the resolution of such dispute on the terms in the Plan as tolled.

- (f) Distributions to Holders as of the Record Date. All Distributions on Allowed Claims shall be made to the Record Holders of such Claims. As of the close of business on the Confirmation Date, the Claims register maintained by the Bankruptcy Court shall be closed, and there shall be no further change in the Holder of any Claim. Debtor shall have no obligation to recognize any transfer of any Claim occurring after the Confirmation Date. Debtor shall instead be entitled to recognize and deal for all purposes under this Plan with the Record Holders as of the Confirmation Date.
- (g) Fractional Dollars. Any other provision of this Plan notwithstanding, the Debtor shall not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under this Plan would otherwise

be called for, at Debtor's option the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

- (h) Withholding Taxes. Debtor shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions under this Plan shall be subject to any such withholding and reporting requirements.

### **XIII. Confirmation and Consummation Procedure**

#### **A. General Information**

All creditors whose Claims are Impaired by the Plan may cast their votes for or against the Plan. As a condition to confirmation of the Plan, the Bankruptcy Code requires that one Class of Impaired Claims votes to accept the Plan. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a Class of Impaired Claims as acceptance by holders of at least two-thirds of the dollar amount of the class and by more than one-half in number of Claims. Holders of Claims who fail to vote are not counted as either accepting or rejecting a plan. Voting is accomplished by completing, dating, signing and returning the ballot form (the "Ballot") by the Voting Deadline. Ballots will be distributed to all creditors entitled to vote on the Plan and is part of the Solicitation Package accompanying the Disclosure Statement. The Ballot indicates (i) where the Ballot is to be filed and (ii) the deadline by which creditors must return their Ballots.

Unless otherwise specifically provided in a class of the Plan, in the event of a default by Debtor in payments under the Plan or otherwise, the Holder of such Claim must send written notice to Debtor and Cameron McCord of the claimed default.

**Events of Default.** As provided in Article 2.3 of the Plan, unless otherwise specifically provided in a class under the Plan, in the event of a default by Debtor in payments under the Plan or otherwise, the Holder must send written notice ("Default Notice") to Debtor at the addresses of record for Debtor as reflected on the docket for this Bankruptcy Case, unless Debtor has provided the Holder with a written notice of a change of address. Such Default Notice must contain the reason for the default and if such default is monetary, the amount of the default and amount necessary to cure the default, as well as notice that Debtor has ten (10) days (in the case of a monetary default) and thirty (30) days (in the case of a non-monetary default) from receipt by Debtor and Debtor's counsel of the Default Notice (or the following business day if the 10<sup>th</sup> or 30<sup>th</sup> day does not fall on a business day) to cure such default (and the address for payment, which will accept overnight deliveries, in the event of a monetary default). The Holder must send such Default Notice to Debtor via certified mail or recognized overnight carrier with a copy via email or fax and certified mail to Cameron M. McCord (Jones & Walden, LLC) at the address reflected in the then current directory of the State of Bar of Georgia. Debtor shall have ten (10) days or 30 days (as applicable) from Debtor's and Debtor's counsel's receipt of the Default Notice to cure such default. Receipt by Debtor's Attorney shall not be deemed receipt by Debtor of the required Default Notice. Notwithstanding anything to the contrary in the

Plan or otherwise, a default under one Class of Claims or to a creditor shall not constitute a default under any other Class of Claims or any other creditor. (For example a default under Class 1 shall not constitute a default under Class 3).

Notice. All notices under the Plan shall be in writing. Unless otherwise specifically provided herein, all notices shall be sent to Debtor via U.S. Certified Mail Return Receipt or by recognized overnight carrier to the address of record for Debtor in this Case, unless Debtor has provided such Holder with written notice of change of address for Debtor, with a copy via email or fax and certified mail to Cameron M. McCord at the address reflected in the then current directory of the State Bar of Georgia. Receipt of notice by Cameron M. McCord (Jones & Walden, LLC) shall not be deemed receipt by Debtor of the required notice. Notice to creditors may be provided (a) at the address set forth on the proof of claim filed by such Holder, (b) at the address set forth in any written notices of address change delivered to Debtor after the date of any related proof of claim, (c) at the addresses reflected in the Schedules if no proof of claim has been filed and Debtor has not received a written notice of a change of address, or (d) if the Holder's address is not listed in the Schedules, at the last known address of such Holder according to the Debtor's books and records.

#### **B. Solicitation of Acceptances**

This Disclosure Statement has been approved by the Court as containing "adequate information" to permit creditors and equity interest holders to make an informed decision whether to accept or reject the Plan.

#### **C. Acceptances Necessary to Confirm the Plan**

At the Confirmation Hearing, the Court shall determine, among other things, whether the Plan has been accepted by Debtor's creditors. Impaired classes will be deemed to accept the Plan if at least two-thirds in amount and more than one-half in number of the Claims in each class vote to accept the Plan. Furthermore, in such event, unless there is unanimous acceptance of the Plan by the impaired classes, the Court must also determine that any non-accepting Class members will receive property with a value, as of the Effective Date of the Plan, that is not less than the amount that such Class member would receive or retain if Debtor were liquidated as of the Effective Date of the Plan under Chapter 7 of the Bankruptcy Code.

#### **D. Confirmation of Plan Pursuant to Section 1129(b)**

The Bankruptcy Code provides that the Plan may be confirmed even if it is not accepted by all Impaired classes. To confirm the Plan without the requisite number of acceptances of each Impaired Class, the Court must find that at least one Impaired Class has accepted the Plan without regard to the acceptances of insiders, and the Plan does not discriminate unfairly against, and is otherwise fair and equitable, to any Impaired Class that does not accept the Plan. Accordingly, if any Impaired Class does not vote to accept the Plan, Debtor will seek to confirm the Plan under the "cramdown" provisions of section 1129(b) of the Bankruptcy Code.

## **E. Considerations Relevant to Acceptance of the Plan**

Debtor's recommendation that all Creditors should vote to accept the Plan is premised upon Debtor's view that the Plan is preferable to other alternatives for liquidation of Debtor's estate. It appears unlikely to Debtor that an alternate plan of reorganization or liquidation can be proposed that would provide for payments in an amount equal or greater than the amounts proposed under the Plan. If the Plan is not accepted, it is likely that the interests of all creditors will be further diminished.

### **Disclaimer**

*This Disclosure Statement contains summaries of certain provisions of the Plan, statutory provisions, documents related to the Plan, events in Debtor's Chapter 11 case, and financial information. Although Debtor believes that the Plan and related document summaries are fair and accurate, such summaries are qualified to the extent that they do not set forth the entire text of such documents or statutory provisions. Factual information contained in this Disclosure Statement has been provided by Debtor's management, except where otherwise specifically noted. Debtor is unable to warrant or represent that the information contained herein, including the financial information, is without any inaccuracy or omission. The financial data set forth herein, except as otherwise specifically noted, has not been subjected to an independent audit.*

*Nothing contained herein shall (1) constitute an admission of any fact or liability by any party, (2) be admissible in any nonbankruptcy proceeding involving Debtor or any other party; provided, however, that in the event Debtor defaults under the Plan, the Disclosure Statement may be admissible in a proceeding relating to such default for the purpose of establishing the existence of such default, or (3) be deemed conclusive advice on the tax or other legal effects of Debtor's Plan as to holders of Claims or Interests. You should consult your personal counsel or tax advisor on any questions or concerns regarding tax or other legal consequences of the Plan.*

*Except for historical information, all the statements, expectations, and assumptions, including expectations and assumptions contained in this Disclosure Statement, involve a number of risks and uncertainties. Although Debtor has used its best efforts to be accurate in making these statements, it is possible that the assumptions made by Debtor may not materialize. In addition, other important factors could affect the prospect of recovery to Creditors including, but not limited to, the inherent risks of litigation and the amount of Allowed Claims.*

*All Creditors and Interest Holders are advised and encouraged to read this Disclosure Statement and the Plan in their entirety. Plan summaries and statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan, any exhibits, and the Disclosure Statement as a whole.*

*This Disclosure Statement has been prepared in accordance with § 1125 of the Bankruptcy Code and Rule 3016(c) of the Federal Rules of Bankruptcy Procedure and not in accordance with federal or state securities laws. This Disclosure Statement has neither been approved nor disapproved by the Securities and Exchange Commission ("SEC"), nor has the SEC passed on the accuracy or adequacy of the statements contained herein. This Disclosure*

*Statement was prepared to provide holders of Claims and Interests in Debtor with “adequate information” (as defined in the Bankruptcy Code) so that they can make an informed judgment about the Plan.*

*As to contested matters, adversary proceedings, and other actions or threatened actions, this Disclosure Statement shall not constitute nor be construed as an admission of any fact or liability, stipulation, or waiver, but rather as a statement made in settlement negotiations.*

*The information contained in this Disclosure Statement is included herein for the purpose of soliciting acceptances of the Plan and may not be relied upon for any purpose other than to make a judgment with respect to, and how to vote on, the Plan.*

**Remainder of Page Left Intentionally Blank**

The representations in this Disclosure Statement are those of Debtor. No representations concerning Debtor are authorized other than as set forth in this statement. Any representation or inducement made to secure acceptance of this Plan which are other than as contained in this document should not be relied upon by any Person. The information contained herein has not been subject to a certified audit. Every effort, however, has been made to provide adequate financial information in this Disclosure Statement. The representations by Debtor are not warranted or represent to be without any inaccuracy, although every effort has been made to be accurate. Neither the Plan nor this Disclosure Statement has been designed to forecast consequences which follow from a general rejection of this Plan, although an attempt is made to state the consequences of a liquidation of Debtor.

Respectfully submitted this 2nd day of November, 2016.

**LOUIS & LANE, INC.  
D/B/A DICKERSON AUTOMOTIVE**

/s/ Lane Andrew Walker

By: Lane Andrew Walker, CEO and President

**JONES & WALDEN, LLC**

/s/ Cameron M. McCord

Cameron M. McCord

Georgia Bar No. 143065

Leon S. Jones

Georgia Bar No. 003980

21 Eighth Street, NE

Atlanta, Georgia 30309

(404) 564-9300

**Attorneys for Debtor in Possession**

**Exhibit “A” to Disclosure Statement**

**Monthly Budget**

<b>Estimated Income</b>	\$34,000.00
<b>Expenses</b>	
Parts Cost	\$10,779.00
Auto Expense	\$37.00
Credit Card fees	\$663.00
Dues and Subscriptions	\$482.00
Insurance Expense	\$800.00
Maintenance Expense	\$265.00
Payroll Tax Expense	\$1,370.00
Supplies Expense	\$175.00
Shop Rags/hand towels	\$558.00
Wages Expense	\$12,000.00
Utilities	\$1,337.00
<b>Total Expenses</b>	\$28,466.00
<b>Available for Plan</b>	\$5,534.00
<b>Plan Payments</b>	
Class 4 - Randy M. Dickerson	\$3,472.46
Class 5 - CAN Capital	\$1,080.60
Class 7 - General Unsecured (paid quarterly pro-rated share of 1,050.00)	\$350.00
<b>Total Plan Payments</b>	\$4,903.06

**CERTIFICATE OF SERVICE**

I certify that on the date specified herein below I cause to be served a copy of the foregoing documents via first class United States mail in a properly addressed envelope with sufficient postage affixed thereto to ensure delivery upon the parties listed below:

Office of the United States Trustee  
362 Richard B. Russell Federal Building  
75 Ted Turner Drive, SW  
Atlanta, Georgia 30303

This 2nd day of November, 2016.

**JONES & WALDEN, LLC**

/s/ Cameron M. McCord

Cameron M. McCord  
Georgia Bar No. 143065  
21 Eighth Street, NE  
Atlanta, Georgia 30309  
(404) 564-9300

**Attorneys for Debtor in Possession**