

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

IN RE: : CASE NO. 17-10564-whd
: :
PROVEN PEST SOLUTIONS, INC. : CHAPTER 11
: :
Debtor. :
_____ :

DEBTOR'S THIRD AMENDED DISCLOSURE STATEMENT

COMES NOW Proven Pest Solutions, Inc., Debtor and Debtor-in-possession ("Proven Pest" or "Debtor"), in the above-styled case, and in accordance with 11 U.S.C. § 1125, submits its Third Amended Disclosure Statement as follows:

I. INTRODUCTION

A. Introduction

Debtor submits this Disclosure Statement (the "Disclosure Statement") pursuant to Section 1125 of the Bankruptcy Code, 11 U.S.C. § 1125, and Bankruptcy Rules 3016 and 3017, to creditors of Debtor and holders of equity interests in Debtor (collectively the "Claimants") to disclose information to enable Claimants to make an informed decision in exercising their rights to accept or reject Debtor's Proposed Plan of Reorganization filed by Debtor on December 19, 2017 (the "Plan") with the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the "Bankruptcy Court").

Debtor believes this Disclosure Statement contains the information that is material, important and necessary for its creditors and interest holders to arrive at an informed decision in exercising their right to vote for acceptance of the Plan. A copy of the **Plan** accompanies this Disclosure Statement as **Exhibit "A"**. As holder of a claim or interest in Debtor, your acceptance is important. For a class of claims to accept the Plan, acceptances must be filed by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims for such class that actually vote on the Plan. A failure to vote on the Plan does not constitute either an acceptance or rejection of the Plan. Debtor urges parties in interest to read this Disclosure Statement and the Plan carefully prior to casting votes for or against the Plan.

B. Representations

NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT A DECISION. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN REVIEWED OR PASSED UPON BY AN ACCOUNTANT. THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY

INACCURACY ALTHOUGH ALL SUCH INFORMATION IS ACCURATE TO THE DEBTOR'S BEST KNOWLEDGE, INFORMATION AND BELIEF. THE COURT HAS NOT VERIFIED THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND THE COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT IMPLY THAT THE COURT ENDORSES OR APPROVES THE PLAN, BUT ONLY THAT IF THE INFORMATION IS ACCURATE, IT IS SUFFICIENT TO PROVIDE AN ADEQUATE BASIS FOR CREDITORS AND INTEREST HOLDERS TO MAKE INFORMED DECISIONS WHETHER TO APPROVE OR REJECT THE PLAN. THE INFORMATION CONTAINED HEREIN IS PROVIDED AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS CLEARLY INDICATED TO THE CONTRARY.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN BUT HAS BEEN REVIEWED PURSUANT TO 28 U.S.C. § 586(a) BY THE U.S. TRUSTEE'S OFFICE OF THE DEPARTMENT OF JUSTICE.

C. Deadline for Objecting to Approval of this Disclosure Statement.

This Court has not yet approved this Disclosure Statement. This section describes the procedures pursuant to which this Disclosure Statement and the Plan will or will not be confirmed.

1. Time and Place of the Hearing to Approve This Disclosure Statement

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and the Plan will be set by Order of Court. All parties will receive a copy of the notice of hearing on the Disclosure Statement and the Plan.

Objections to this Disclosure Statement and/or the Plan must be filed with the Court and served upon counsel for the Debtor at the address shown at the end of this Disclosure Statement by the date set by Order of Court.

Notice will be provided of the deadline for voting to accept or reject the Plan, for objection to the Plan and a hearing to consider confirmation of the Plan. The procedures for confirmation are discussed further below in the Disclosure Statement.

D. Defined Terms

Most words or phrases used in this Disclosure Statement shall have their usual and customary meanings. Some words or phrases when used in the context of the Plan and Disclosure Statement with initial capital letters shall have the definitions set forth in the Plan. Unless otherwise defined, the terms used in this Disclosure Statement shall have the same meaning as in the Bankruptcy Code or Rules.

II. BACKGROUND INFORMATION

A. History of Debtor & Events Leading to Chapter 11 Bankruptcy

The Debtor is a business which specializes in eradication of pests, including termites, and secondarily the eradication of wildlife that enters homes and other businesses. The Debtor was incorporated on March 30, 2011 but did not begin operations until 2014. Initially, the Debtor was owned 51% by Brandon Caldwell and 49% by Jim Laster, but Jim Laster was primarily responsible for the day-to-day operation of the Debtor. However, Jim Laster ran up numerous liabilities of the Debtor, and then left the Debtor in August 2016, Debtor believes wrongfully taking with him over \$13,000 in inventory, a truck that the Debtor had paid for, and at least 236 customers of the Debtor to start up his own business to compete with the Debtor. Mr. Laster is no longer a shareholder of the Debtor, as he surrendered his shares upon leaving the Debtor, and has resigned from the Debtor. As a result of Mr. Laster's actions, the Debtor fell behind on numerous obligations, most notably its obligations on four (4) secured purchase agreements for two Chevrolet trucks with Ally Financial, and a Ford F-150 and Ford Focus with Ford Motor Credit ("Vehicles"). The Debtor contends that it has a claim against Mr. Laster for, *inter alia*, breach of his fiduciary duty.

The Debtor's principal, Brandon Caldwell, has worked diligently to turn the business around since Mr. Laster's exit from same, but was unable to catch up with the amounts owed on the Vehicles, and Ford Motor Credit and Ally Financial threatened to repossess same, and thus on March 8, 2017, the Debtor filed for protection under Title 11 of the United States Bankruptcy Code. Besides the Vehicles, the Debtor owned at the time of the filing of the Petition approximately \$13,000 of pest spraying and office equipment, and approximately \$10,000.00 in accounts receivable that was less than 90 days past due. Brandon Caldwell has also filed a Chapter 13 bankruptcy case, styled as In re Brandon Keith Caldwell, United States District Court, Northern District of Georgia, Case No. 17-11501-whd ("Chapter 13"). The debts owed on the Vehicles will be paid through this Plan and not through the Chapter 13. The Debtor plans to surrender the two Chevrolet trucks procured via secured purchase agreements with Ally.

In the event that the Debtor is unable to reorganize, it is likely that this case would be converted to a case under Chapter 7 of Title 11.

III. SUMMARY OF PLAN OF REORGANIZATION

THE DISCUSSION OF THE PLAN SET FORTH BELOW IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED PROVISIONS SET FORTH IN THE PLAN AND ITS EXHIBITS, THE TERMS OF WHICH ARE CONTROLLING. HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER INTERESTED PARTIES ARE URGED TO READ THE PLAN IN ITS ENTIRETY SO THAT THEY MAY MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN.

A. Overview of Plan

1. *What is the purpose of the Plan of Reorganization?*

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

2. Means for Funding of the Plan

Payments and distributions under the Plan will be funded by Debtor’s income from its operations. A detailed pro forma projection indicating Debtor’s estimated anticipated income and expenses and its ability to perform its obligations under the Plan is attached hereto as **Exhibit “B”** and incorporated herein. Brandon Caldwell is the only officer, manager or owner of the Debtor, and currently will receive \$2,000.00 in monthly salary, as outlined in the budget.

B. Treatment of Impaired Classes

All classes of claims and classes of interest are impaired under the Plan. All impaired classes of claims and classes of interest shall receive the distributions set forth in this Article on account of and in complete satisfaction of all such Allowed Claims (and any interest accrued thereon) and Allowed Interests. Without limiting the foregoing and effective upon the Effective Date, each creditor and each equity security holder (or its successor) shall be deemed to have assigned to the Debtor and all such parties shall be deemed to have waived, relinquished and released any and all of their rights and claims against the Debtor (other than as provided for in the Plan or the Court’s order confirming the Plan).

C. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has not placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor’s chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses include fees and reimbursement of Debtor’s attorney, accountants, and other professional retained by Debtor prior to the filing of the petition by Debtor. The Code requires that all administrative expense be paid on the date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor’s estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$0	Debtor has paid his post-petition expenses as the same have been incurred. To the

		extent that there are unpaid expenses on the effective date of the Plan, such expenses will be paid in full on the effective date of the Plan.
Professional Fees, as approved by the Court.	\$35,000.00 (est.)	Debtor's Professional Fees, to the extent they have not been paid in full, will be paid according to court order as follows: upon the entry of a court order approving counsel's fees, counsel will apply the \$5,000.00 retainer given to it by the Debtor, along with an initial payment by the Debtor of \$11,000.00 for attorney fees, with payments of approximately \$3,000.00 per month after that until the professional fees are satisfied.
Other administrative expenses	\$0	To the extent that other administrative expenses have been incurred, such expenses will be paid on the effective date of the Plan or in accordance with a separate written agreement or order of the Court.
Office of the U.S. Trustee Fees	\$0	Paid in full on the effective date of the Plan.

E. Classes of Claims and Equity Interests

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. Priority Tax Claims

Priority Tax Claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief. The Internal Revenue Service filed a Proof of Claim in the amount of \$11,069.34. The Georgia Department of Revenue filed a proof of claim alleging that \$1,905.24 of the amount owed to it was a priority tax claim pursuant to § 507(a)(8).

Class	Description	Impairment	Filed POC	Post-Petition Payments	Anticipated Objection	Scheduled	Treatment
1A	Priority Tax Claims	Impaired	No. 9, \$11,069.34	None	None	Yes-as unknown	The Priority Tax Claim of the Internal Revenue Service shall be paid in full by monthly payments of \$200.00 each beginning within thirty (30) days of the effective date of the Plan
1B	Priority Tax Claims	Impaired	No. 15, \$1,905.24 priority	None	None	Yes-as unknown	The Priority Tax Claim of the Georgia Department of Revenue shall be paid in full by monthly payments of \$100.00 each beginning within thirty (30) days of the effective date of the Plan

2. Classes of Secured Claims

Allowed Secured Claims are claims secured by property of the Debtor’s bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code.

The following lists all classes containing Debtor’s secured prepetition claims and their proposed treatment under the Plan:

Class	Description	Impairment	Filed POC	Post-Petition Payments	Anticipated Objection	Scheduled	Treatment
2A	Ford Motor Credit Company- 2015 Ford Focus, Vehicle Identification Number	Impaired	No. 8, \$11,043.70	\$3,665.55 as of December 20, 2017	None	Yes	The secured claim of Ford Motor Credit Company (“FMCC”) shall be deemed to be the principal amount of \$7,378.15, including

	1FADP3F29F L333091						reductions from post-petition payments made to FMCC through December 20, 2017. Beginning on January 1, 2018, Debtor shall make nine (9) monthly payments on the first day of each month to FMCC of \$737.81 each, and a tenth payment of \$737.86 on October 1, 2018. Upon the Effective Date, the FMCC loan shall be deemed reinstated, all defaults cured and the FMCC Loan Documents shall be modified so as to be consistent with the terms of the Plan, as confirmed, with the provisions of the Plan to be controlling. The Strict Compliance Order consented to by the Debtor and FMCC regarding this Claim shall govern the treatment of FMCC's claim in the event of a conflict between the Plan and the Strict Compliance Order. The first installment payment under the Plan shall be made on the first day of the first month after the Effective Date.
2B	Ford Motor Credit Company-	Impaired	No. 10, \$29,996.99	\$4,714.57 as of December 20, 2017	None	Yes	The secured claim of FMCC shall be deemed to be \$25,282.42,

	2015 Ford F-150, Vehicle Identification Number 1FTEW1C81FFC02539						including reductions from post-petition payments made to FMCC through December 20, 2017. Beginning on January 1, 2018, Debtor shall make twenty two (22) monthly payments on the first day of each month to FMCC of \$1,149.20 each. Upon the Effective Date, the FMCC loan shall be deemed reinstated, all defaults cured and the FMCC Loan Documents shall be modified so as to be consistent with the terms of the Plan, as confirmed, with the provisions of the Plan to be controlling. The Strict Compliance Order consented to by the Debtor and FMCC regarding this Claim shall govern the treatment of FMCC's claim in the event of a conflict between the Plan and the Strict Compliance Order. The first installment payment under the Plan shall be made on the first day of the first month after the Effective Date.
2C	Ally Financial Lease Trust-2015 Chevrolet Silverado,	Impaired	No. 5, \$33,456.55	\$7,272.16 as of December 21, 2017	None	Yes-as \$31,000	Debtor shall surrender the 2015 Chevrolet Silverado to Ally Financial Lease Trust ("Ally").

	Vehicle Identification Number 1GCRCPEH1 FZ399625						
2D	Ally Financial Lease Trust-2015 Chevrolet Silverado, Vehicle Identification Number 1GCRCPEH8 FZ316448	Impaired	No. 1, \$28,663.22	\$6,133.04 as of December 21, 2017	None	Yes, \$24,000.00	Debtor shall surrender the 2015 Chevrolet Silverado to Ally Financial Lease Trust (“Ally”).

3. Classes of General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan’s proposed treatment of Class 3 Allowed general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
3	General Unsecured Claims	Impaired	All general unsecured claimants that file proofs of claims by the deadline that are Allowed shall receive 50% of the amount due on the proof of claim in twenty four (24) equal payments made monthly for a two year period from the Effective Date.

Below are a list of the unsecured claims (pending the filing of an amended proof of claim by Ally after disposing of the two Chevrolet Trucks), and their proposed treatment under the Plan. Only the Ally claims below are contingent and unliquidated.

Post-Petition Payments	Description	Filed POC	Scheduled	Anticipated Objection	Treatment
None	American Express Bank, FSB	No. 2- \$2,853.19	Yes, \$3,000	None	American Express Bank FSB’s (“Amex”) unsecured claim of \$2,853.19 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.

None	Crain Oil Services	No. 3- \$2,096.70	No	None	Crain Oil Service's ("Crain") unsecured claim of \$2,096.70 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	BlueLine Rental, LLC	No. 4- \$31,766.21	Yes, \$29,027.47	None	BlueLine Rental, LLC's ("BlueLine") unsecured claim of \$31,766.21 will be paid in full through Brandon Caldwell's individual Chapter 13 Plan.
None	Yancey Bros.	No. 6- \$32,646.57 No. 14- \$36,667.48	Yes, \$32,646.57	None	Yancey Bros.'s ("Yancey") unsecured claim of \$36,667.48 will be paid in full through Brandon Caldwell's individual Chapter 13 Plan.
None	Residex	No. 7- \$6,629.40	Yes, \$9,948.25	None	Residex's ("Residex") unsecured claim of \$6,629.40 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	Capital One Bank (USA), NA	No. 11- \$1,876.50	No	None	Capital One Bank (USA), NA's ("Capital One") unsecured claim of \$1,876.50 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	Ahern Rentals, LLC	No. 12- \$210.49	No	None	Ahern Rentals, LLC's ("Ahern") unsecured claim of \$210.49 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	GreatAmerica Financial Services Corporation	No. 13- \$5,133.83	No	None	GreatAmerica Financial Corporation's ("GAFC") unsecured claim of \$5,133.83 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	Art Murphy	None	Yes, \$1,776	None	Art Murphy's ("Murphy") unsecured claim of \$1,776.00 will have 50% of the claim

					paid in twenty four (24) equal payments over a two year period.
None	Oldham Chemicals	None	Yes, \$7,751.62	None	Oldham Chemicals's ("Oldham") unsecured claim of \$7,751.62 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	Verizon Wireless	None	Yes, \$8,163.30	None	Verizon Wireless's ("Verizon") unsecured claim of \$8,163.60 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	Internal Revenue Service	No. 9, \$235.49 unsecured	Yes, unknown	None	Internal Revenue Service's ("IRS") unsecured claim of \$235.49 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
None	Georgia Department of Revenue	No. 15, \$521.20 unsecured	Yes, unknown	None	Georgia Department of Revenue's ("DOR") unsecured claim of \$521.20 will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
\$6,133.04	Ally Financial Lease Trust- 2015 Chevrolet Silverado, Vehicle Identification Number 1GCRCPFH8FZ316448	No. 1, \$28,663.22	Yes, \$4,000.00	Possibly, depending on the sales price of the 2015 Chevrolet Silverado	Ally's unsecured, unobjectionable claim will have 50% of the claim paid in twenty four (24) equal payments over a two year period.
\$7,272.16	Ally Financial Lease Trust- 2015 Chevrolet Silverado, Vehicle Identification Number 1GCRCPFH1FZ399625	No. 5, \$33,456.55	Yes, \$4,000.00	Possibly, depending on the sales price of the 2015 Chevrolet Silverado	Ally's unsecured, unobjectionable claim will have 50% of the claim paid in twenty four (24) equal payments over a two year period.

Classes 1A, 2A, 2B and 3 shall be considered separate for purposes of determining whether the Plan has been accepted by one impaired class.

4. Class of Equity Interest Holders

Equity interest holders are parties to who hold an interest (i.e. equity interest) in the Debtor's Estate. Here, Brandon Caldwell is the only equity interest holder, as the 100% shareholder of the Debtor. No payment is proposed to Brandon Caldwell for his equity interest in the Debtor.

I. Treatment of Unimpaired Classes

None.

J. Causes of Action

The Plan specifically provides, pursuant to Section 1123(b)(3)(B) of the Code, that the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor or Debtor-in-Possession had or has power to assert immediately prior to the confirmation of the Plan, including without limitation, the claims against Jim Laster and actions for the avoidance and recovery pursuant to Section 550 of the Code of transfers avoidable by reason of Sections 544, 545, 547, 548, 549 or 553(b) of the Code, and may commence or continue in any appropriate court or tribunal any suit or other proceedings for the enforcement of same.

K. Executory Contracts and Unexpired Leases

All executory contracts of the Debtor are rejected pursuant to the provisions of [§§ 365 and 1123 of the Bankruptcy Code](#), except for Debtor's contracts with its customers for provision of pest control and related services, as well as any vendors that provide goods or services to Debtor, and Debtor's contracts with FMCC regarding the Vehicles ("Vehicle Documents"). Debtor's contracts with Ally regarding the Vehicles are rejected.

The Plan defines the Effective Date of the Plan. This is defined to be the first (1st) business day following the thirtieth (30th) day after entry of an order confirming the plan, unless there is an appeal in which event, the Debtor will send a notice of the new effective date upon entry of a final order.

The financial feasibility of the Plan is dependent upon the continued cash flow of the Debtor. Projections for Debtor's ongoing income is set forth in **Exhibit "B"**. The Debtor's Schedules, Statement of Financial Affairs and Operating Reports filed to date are also attached hereto as **Exhibit "C."**

IV. CONFIRMATION REQUIREMENTS AND EFFECT OF CONFIRMATION

A. Confirmation Summary

To confirm the Plan, the Court must, after notice, hold a hearing on the question of confirmation. A party in interest may object to confirmation of the Plan and appear at the confirmation hearing to prosecute such objection. The requirements for confirmation of a Chapter 11 Plan are set forth in detail in 11 U.S.C. § 1129. What follows is a summary statement of some of those requirements. The requirements of § 1129 (a) or (b) of the Code include that the: Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without

counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and must be feasible. In general, a class of claims has accepted a plan if the plan has been accepted by creditors that hold the least two-thirds (2/3) in amount and more than one-half (1/2) in number of the allowed claims of such class held by creditors that have accepted or rejected such plan. A class of interests has accepted a plan if the plan has been accepted by holders of such interests that have accepted or rejected such plan. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

1. Who May Vote or Object?

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes 1A, 2A, 2B, and 3 are impaired and holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

2. What is an Allowed Claim or an Allowed Equity Interest?

Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, unliquidated or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was December 10, 2017.

3. What is an Impaired Claim or Impaired Equity Interest?

As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

4. Who is NOT Entitled to Vote?

The holders of the following types of claims and equity interests are not entitled to vote:

- Holders of claims and equity interest that have been disallowed by an order of the Court;

- Holders of claims or equity interest that are not allowed claims or allowed equity interests, unless they have been allowed for voting purposes;
- Holders of claims or equity interests in unimpaired classes;
- Holders of claims entitled to priority pursuant to § 507(a)(2), (a)(3), and (a)(8) of the Code;
- Holders of claims or equity interests in classes that do not receive or retain any value under the Plan; and
- Administrative Claims and Expenses.

Even if you are not entitled to vote on the Plan, you have a right to object to the confirmation of the plan and the adequacy of the Disclosure Statement.

5. Who Can Vote in More Than One Class?

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Confirmation Possible Where Class Does Not Accept

The Court will be asked to confirm as to any class of claims or interests that does not accept the Plan. To do so, the Court must find that the Plan: (1) is fair and equitable with respect to each class of claims or interests that is impaired and is not accepted the Plan; and (2) that each holder of a claim or interest receives or retains under the Plan, on account of such claim or interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that would be received or retained if the Debtor's property were liquidated under Chapter 7 of Title 11 of the Code. Debtor believes the second requirement is satisfied as demonstrated by the Liquidation Analysis attached hereto as **Exhibit "D"**. Debtor believes the first requirement is satisfied with respect to any class that might not accept the Plan. If a Class of Secured Claims does not accept the Plan, the Code provides that the fair and equitable requirement is satisfied if the class retains its lien and receives deferred cash payments of a present value equal to the value of the claimant's secured interest in the collateral. Debtor believes this requirement is satisfied as to each Class of Allowed Secured Claims.

If a class of unsecured claims does not accept the Plan and they are not paid in full with a market rate of interest, the fair and equitable requirement of the Code provides that no junior class of interests can receive or retain any property under the Plan on account of their interests. Debtor believes this requirement is satisfied by the Plan.

THE FOREGOING IS A SUMMARY OF THE PLAN AND CREDITORS ARE URGED TO READ THE PLAN IN FULL. CREDITORS SHOULD CONSULT WITH COUNSEL IN ORDER FULLY TO UNDERSTAND THE PLAN, WHICH IS A PROPOSED LEGALLY BINDING AGREEMENT BY THE DEBTOR.

V. VOTING ON THE PLAN

In order for the Plan to be accepted by a class, 11 U.S.C. § 1126(c) provides that creditors in that class holding at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the allotted claims actually voting, must vote to accept the Plan. Classes 1A, 2A, 2B, and 3 are impaired under the Plan and those classes are asked to vote on the Plan. Only those creditors who have timely filed proofs of claim with the Bankruptcy Court and whose claims have not been disallowed as of the date of the confirmation hearing on the Plan, or whose claims were scheduled by the Debtor as not disputed, contingent or unliquidated, have the right to vote for the acceptance or rejection of the Plan, and only their votes will be counted. The Debtor believes that the proposed Plan is in the best interest of all the creditors. If the Plan is not confirmed, it is unlikely that the Debtor will be able to reorganize.

VI. FEDERAL INCOME TAX CONSEQUENCES

Debtor has not obtained a tax opinion and expresses no opinion as to the tax consequences to the holder of any claim or interest caused by the terms of the Plan of Reorganization. Creditors are advised and encouraged to obtain their own tax counsel to determine the tax consequences of this Plan. In obtaining that advice, certain matters require particular attention due to their uncertainty and potentially significant tax consequences. For example, significant issues may arise as to the amount of any debts that will be deemed discharged by the Plan and therefore generate discharge of indebtedness income to the corporation which would flow through to the corporation; and the amount of tax that would be payable by partners if they withdraw from the partnership or if the Plan is not confirmed and there is a foreclosure.

NO RULING HAS BEEN SOUGHT OR OBTAINED FROM THE IRS WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN OBTAINED BY THE DEBTOR WITH RESPECT THERETO. NO REPRESENTATION OR ASSURANCE IS BEING MADE WITH RESPECT TO THE FEDERAL INCOME TAX CONSEQUENCES AS DESCRIBED HEREIN. CERTAIN TYPES OF CLAIMANTS AND INTEREST HOLDERS MAY BE SUBJECT TO SPECIAL RULES NOT ADDRESSED IN THIS PARAGRAPH. THERE MAY ALSO BE STATE, LOCAL, OR FOREIGN TAX CONSIDERATIONS APPLICABLE TO EACH HOLDER OF A CLAIM OR EQUITY INTEREST WHICH ARE NOT ADDRESSED HEREIN. EACH HOLDER OF A CLAIM OR EQUITY INTEREST AFFECTED BY THE PLAN MUST CONSULT AND RELY UPON SUCH HOLDER'S OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO SUCH HOLDER'S CLAIM OR EQUITY INTEREST. THIS INFORMATION MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH THE OFFERING FOR SALE OF SECURITIES.

VII. LIQUIDATION ALTERNATIVE

Debtor estimates the unsecured creditors would receive less distribution in the event of liquidation. Because the current "as is" market value of the Debtor's Vehicles and equipment/supplies may be insufficient to pay the liens and its other assets have minimal value, its liquidation would bring very little return to the unsecured creditors and members' interests

would be extinguished. Consequently, Debtor believes the Plan is in the best interest of all creditors and members.

VIII. DEFAULT

In the event of any default by Debtor under the Vehicle Documents, as amended or replaced by this Plan, that is not cured pursuant to the Orders on the Motions for Relief From Stay [Including Doc. Nos. 103 and 104] following written notice, holders of allowed secured claims, in their discretion, shall be entitled to proceed with repossession or any other possessory remedies in accordance with state law. In the event of any default by the Debtor as to any other creditors, the creditors are required to give the Debtor written notice of said default by certified or statutory overnight mail, and if Debtor does not cure such default within ten (10) days of the date of receipt of such notice, creditors may enforce their rights pursuant to state law.

IX. LEGALLY BINDING EFFECT;

DISCHARGE OF CLAIMS AND INTERESTS

Upon confirmation of the Plan, its provisions will bind the Debtor and all creditors and interest holders, whether or not they accept the Plan. Confirmation will also discharge the Debtor from all debts that arose before confirmation, except as provided in the Plan and in the Order of Confirmation.

The Plan Proponent may modify the Plan at any time before the confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan. Further, with the approval of the Court and without notice, the Debtor may modify the Plan to correct defects, omissions, or inconsistencies which such modifications do not materially and adversely affect the interest of holders of claims. Further, after confirmation, but before the case is closed, Debtor may modify the Plan upon approval of the court after notice to creditors.

The distribution of cash and other consideration provided for in the Plan will be in exchange for and in complete satisfaction, discharge and release of all claims against Debtor or any of its assets or properties.

X. RECOMMENDATION

Proven Pest Solutions, Inc. recommends that its Third Amended Disclosure Statement for its Plan of Reorganization be approved.

Dated this 19th day of January, 2018.

Respectfully submitted,
Proven Pest Solutions, Inc.
By /s/ Brandon Caldwell
Its: President

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

IN RE: : CASE NO. 17-10564-whd
: :
PROVEN PEST SOLUTIONS, INC. : CHAPTER 11
: :
Debtor. :
_____ :

CERTIFICATE OF SERVICE

This is to certify that I have this day served the within and foregoing **Debtor's Third Amended Disclosure Statement and Plan** by depositing a true and correct copy of same in the United States mail, with adequate postage thereon, on those parties indicated below:

Office of the United States Trustee
75 Spring Street, SW,
Room 362
Atlanta, GA 30303

This 29th day of December, 2017.

ROGERS LAW OFFICES

 /s/ Beth E. Rogers _____

Beth E. Rogers
Georgia Bar No. 612092
James F. F. Carroll
Georgia Bar No. 940350
100 Peachtree Street
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Atlanta, GA 30303
Attorneys for Debtor Proven Pest Solutions, Inc.