

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

IN RE: ) Chapter 11  
 )  
AMRIT FREIGHT TRANSPORT, INC., ) CASE NO. 17-05924-RLM-11  
 )  
Debtor. )

**DISCLOSURE STATEMENT**

Amrit Freight Transport, Inc., Debtor and Debtor-in-Possession (“Debtor” or “AFT”), and for its Disclosure Statement, states as follows:

**ARTICLE I**  
**INTRODUCTION**

A. General.

On August 8, 2017 (the “Petition Date”), AFT filed a voluntary Chapter 11 Petition for Relief in the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division under Cause No. 17-05924-RLM-11.

Pursuant to §1125 of the Bankruptcy Code (the “Code”), AFT has prepared and filed this Disclosure Statement (the “Disclosure Statement”), together with a Plan of Reorganization (the “Plan”) for the Court’s approval prior to submission to holder of claims against and interest in AFT.

B. Purpose.

AFT is providing this Disclosure Statement to all holders of claims against and interests in AFT pursuant to §1125 of the Code to enable such holders of claims and interests to make an informed judgment concerning the solicitation of acceptances of the Plan.

The Court must approve this Disclosure Statement as containing “adequate information” (as defined in §1125 of the Code) of a kind, and in sufficient detail, to enable a hypothetical, reasonable investor typical of the holder of claims against and interests in AFT to make an informed judgment in voting to accept or reject the Plan. Approval of this Disclosure Statement by the Court, however, does not constitute a recommendation by the Court to accept or reject the Plan.

C. Construction.

The definitions in the Plan are applicable herein, insofar as not inconsistent or in conflict with said definitions, the words herein shall have the meanings ascribed thereto by the Code and the Rules.

D. Source of Information.

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtor's business, the Debtor's assets and the claims held against the Debtor have been prepared from information furnished by the Debtor, the Debtor's Schedules and Statement of Affairs, the Debtor's Monthly Operating Reports and from other pleadings which have been filed by the Debtor, creditors or other parties-in-interest in the Debtor's bankruptcy proceeding.

E. Brief Explanation of Chapter 11.

Chapter 11 is the principal business reorganization or liquidation chapter of the Code. Pursuant to Chapter 11, a debtor may have its business reorganized or its assets liquidated for its own benefit and for the benefit of the holder of claims against the debtor. Attempts to collect upon pre-petition claims from the debtor or attempts to foreclose upon the debtor's assets by any secured creditor without obtaining the prior permission of the bankruptcy court are stayed during the pendency of the case. In this case, the Debtor has continued in possession of its property and has operated its business as a debtor-in-possession pursuant to the provisions of §§1107 and 1108 of the Code. Under §1107(a) of the Code, the debtor is vested with substantially the same powers as would be enjoyed by a trustee appointed to serve in a case under the Code. The overriding purpose of the Plan proposed by the Debtor is to provide for a restructure and reorganization of the Debtor's business. The Plan, if confirmed, will be the sole vehicle for satisfying the rights of holders of claims against and interests in the Debtor.

F. Disclaimers.

DEBTOR PROVIDES THIS DISCLOSURE STATEMENT TO ALL KNOWN HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR TO DISCLOSE ADEQUATE INFORMATION SO THAT SUCH HOLDERS OF CLAIMS AND INTERESTS MAY ARRIVE AT AN INFORMED JUDGMENT IN EXERCISING THEIR RIGHT TO VOTE FOR ACCEPTANCE OR REJECTION OF THE PLAN OF REORGANIZATION.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSES OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR, OR ANY OTHER PARTY OR BE DEEMED

CONCLUSIVE ADVICE ON THE LEGAL EFFECTS OF THE REORGANIZATION OF THE DEBTOR UPON THE HOLDERS OF CLAIMS OR INTERESTS.

NO REPRESENTATIONS BY ANY PERSON CONCERNING THE DEBTOR (PARTICULARLY AS TO THE DEBTOR'S BUSINESS OPERATIONS OR THE VALUE OF DEBTOR'S PROPERTY) ARE AUTHORIZED TO BE MADE OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR VOTE ON THE PLAN OTHER THAN CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED ON BY YOU IN ARRIVING AT YOUR DECISION. SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR, WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE COURT FOR SUCH ACTIONS AS THE COURT DEEMS APPROPRIATE.

THE DEBTOR'S FINANCIAL AFFAIRS AND THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT MAY BE EXTREMELY COMPLEX. DEBTOR STRONGLY URGES YOU TO CONSULT WITH YOUR FINANCIAL ADVISOR, YOUR COUNSEL AND WITH OTHER HOLDERS OF CLAIMS OR INTEREST TO FULLY UNDERSTAND THE DISCLOSURE STATEMENT AND THE PLAN. YOU MAY NOT UNDERSTAND ALL OF THE IMPLICATIONS OF THE FINANCIAL INFORMATION PRESENTED WITHOUT ASSISTANCE FROM YOUR FINANCIAL ADVISOR. YOU MAY NOT UNDERSTAND ALL OF THE LEGAL IMPLICATIONS OF A VOTE TO ACCEPT OR REJECT A PLAN WITHOUT THE ASSISTANCE OF YOUR COUNSEL.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE THE DISCLOSURE STATEMENT WAS COMPILED.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY, ALTHOUGH ALL SUCH INFORMATION IS ACCURATE TO THE BEST OF DEBTOR'S KNOWLEDGE, INFORMATION AND BELIEF.

## ARTICLE II

### CONFIRMATION PROCEDURES

The Plan cannot be consummated unless the Court confirms it. Confirmation of the Plan requires that, among other things, either each Class that is impaired by the Plan has voted to accept the Plan by the requisite majority, or the Plan is determined

by the Court to be fair and equitable, as defined by the Code, with respect to each Class of Claims or Interests that have rejected the Plan. The Code also requires that the confirmation of the Plan be in the “best interests” of all holders of claims and interests. Debtor believes that the Plan meets the classification requirements of the Code, which requires that all claims or interests in a Class be “substantially similar.” Disputes regarding the proper classification of claims or interests not specifically classified in the Plan shall be resolved to the procedures established by the Code, the Rules and other applicable law.

A. Creditors Eligible to Vote.

Only the votes of Classes whose claims or interests are impaired by the Plan will be counted in connection with the confirmation of the Plan. Generally, and subject to the specific provisions of §1124 of the Code, a Class is “impaired” if its legal, equitable or contractual rights attaching to the claims or interests of that Class are modified, other than by curing defaults in stated maturities or by the payment in full, in cash for such claims on the Effective Date. Classes 4 thru 19 are impaired under the Plan and, accordingly, are entitled to vote to accept or reject the Plan. In determining acceptance of the Plan, votes will be counted only if submitted by a holder of an allowed claim or allowed interest. The Court, for voting purposes only, may allow Claims or Interests.

B. Acceptance Necessary to Confirm the Plan.

For the Plan to be accepted and thereafter confirmed, it must be accepted by at least one (1) class of claims or interests which is impaired by the Plan, not counting the votes casts by any insiders. Under §1126 of the Code, an impaired class of claims is deemed to have accepted the Plan if votes representing at least two-thirds (2/3) in amount and more than one-half (1/2) in number of allowed claims that have voted in that class have accepted the Plan and an impaired class of interests is deemed to have accepted the Plan if votes representing at least two-thirds (2/3) in amount in number of allowed interests that have voted in that class have accepted the Plan; provided, however, that the vote of any holder of an allowed claim or allowed interest whose acceptance or rejection of the Plan was not made in good faith, as determined by the Court, will not be counted.

Unless an impaired class unanimously accepts the Plan, the Court, in order to confirm the Plan, must independently determine that the Plan provides to each holder of a claim or interest a recovery which has a value at least equal to the value of the distribution which such Holder would receive or retain if Debtor was liquidated under Chapter 7 of the Code on the Effective Date. Debtor believes that the Disclosure Statement will enable the Court to make this determination.

C. Manner of Voting.

In voting for or against the Plan, please use only the ballot sent to you with this Disclosure Statement.

If a person has an allowed claim or allowed interest in more than one (1) class, such person may vote multiple ballots.

Holders of allowed claims and allowed interests who are entitled to vote to accept or reject the Plan may vote by completing, dating, signing and mailing the accompanying ballot to the following address:

David R. Krebs  
Hester Baker Krebs LLC  
One Indiana Square, Suite 1600  
Indianapolis, IN 46204  
Fax: (317) 833.3031  
Email: [dkrebs@hbkfirm.com](mailto:dkrebs@hbkfirm.com)

A ballot, once submitted, cannot be withdrawn or modified except as provided under the Code.

D. Confirmation Without Acceptance.

Section 1129(b) of the Code provides that the Plan may be confirmed by the Court despite not being accepted by every impaired Class if at least one (1) impaired Class has accepted the Plan, and the Court finds that the Plan does not discriminate unfairly and is fair and equitable to the rejecting Classes. Among other things, such a finding would require a determination by the Court that the Plan provides that no holder of an allowed claim or interest junior to the rejecting Class will receive or retain any property or payment under the Plan, until or unless such rejecting Class is paid in full.

Debtor expressly reserves the right, pursuant to §1129(b) of the Code to request the Court to confirm the Plan if all of the applicable requirements of §1129(a) of the Code have been met. In addition, Debtor expressly reserves the right pursuant to §1126(e) of the Code to request the Court to strike any ballot rejecting the Plan cast by any holder of a claim or interest which was not cast in good faith.

E. Hearing on Confirmation of the Plan.

The Court shall set and notice shall be given of a Confirmation Hearing to determine whether the Plan has been accepted by the requisite number of holders of claims and interests and whether the other standards for confirmation of the Plan have been satisfied. The hearing may be adjourned from time to time without further notice other than an announcement in open court. Each holder of a claim or interest will receive, either with this Disclosure Statement or separately, the Court's Notice of Hearing on Confirmation of the Plan.

ARTICLE III  
GENERAL INFORMATION

The majority of the information set forth in this Article has been prepared by the Debtor and its counsel and/or accountants and is true and correct to the best of Debtor's knowledge, information and belief.

A. History of the Debtor.

AFT owns and operates a freight company located in Greenwood, Indiana. In connection with the operation of its business, AFT currently employs twenty-one (21) drivers and two (2) office employees.

B. Significant Events in this Chapter 11 Case.

Since the filing of the bankruptcy proceeding on August 8, 2017, AFT has obtained this Court's final authorization to continue its factoring relationship with Great Plains Transportation Services, Inc. During the pendency of this proceeding, the Debtor has negotiated adequate protection terms with several of its creditors.

ARTICLE IV  
FINANCIAL STATEMENTS AND INFORMATION

A. Debtor's Assets.

For information on the Debtor's assets, please refer to the Debtor's interim financial reports filed with the court and the Debtor's Schedules and Statement of Affairs filed in this bankruptcy proceeding.

B. Financial Statements and Projections.

Pursuant to the rules and regulations promulgated by the United States Trustee's Office, Debtor has filed a complete Schedules of Assets and Liabilities and Statement of Affairs as well as monthly operating reports for each month since the Petition Date. The schedules and statements should be consulted and inspected by all interested parties. Copies may be obtained from the Clerk of the Bankruptcy Court, 46 East Ohio Street, Indianapolis, Indiana 46204.

The other assumptions and financial projections forming the basis for the Plan are incorporated herein and identified as follows:

**Exhibit "A"** – a copy of the Summary of Schedules which reflects AFT's best estimate of the value of its assets and amounts owed to creditors.

**Exhibit "B"** – a liquidation analysis reflecting the result if AFT ceased operations and surrendered or sold its assets.

**Exhibit “C”** -- a cash flow projection reflecting the feasibility of the proposed plan terms.

Distribution to creditors under the Plan shall come from AFT’s freight business operations continuing in Greenwood, Indiana.

ARTICLE V  
PLAN OF REORGANIZATION

THE FOLLOWING IS A BRIEF SUMMARY OF THE MORE SIGNIFICANT MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH CONFIRMATION OF THE PLAN. THE SUMMARY ONLY HIGHLIGHTS CERTAIN SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OF OR A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN, WHICH ALL HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR ARE URGED TO REVIEW CAREFULLY. THE PLAN, IF CONFIRMED, WILL BE BINDING UPON THE DEBTOR, ALL HOLDERS OF CLAIMS AND INTERESTS AND ALL PARTIES IN INTEREST PURSUANT TO §1141(a) OF THE CODE.

A. Treatment of Claims and Interests.

The Plan divides claims and interests into the twenty (20) classes listed below. A brief description qualified in all respects by reference to the Plan itself, of each class and its proposed treatment under the Plan, is set forth below. Classes four (4) through nineteen (19) are the classes impaired by the Plan as defined in 11 U.S.C. §1124 and are the classes eligible to vote on the Plan.

Class 1: Administrative Claims. Normal budgeted expenses of the Debtor will be paid in the ordinary course of business. Other administrative expense claims shall be paid in full within 30 days of being incurred or court approval. Administrative expense claims shall be paid in full within 30 days of being incurred or court approval. Administrative expense claims include, but are not limited to, the compensation for services rendered and disbursements incurred by Professionals whose retention has been approved by the Court, in connection with services performed in this Chapter 11 case. The Debtor paid a retainer to certain Professionals, all of whom may seek interim approval for fees prior to confirmation of the Plan.

Payment to Professionals for compensation and reimbursement of expenses will be made in accordance with the procedures provided for in the Code and in any order of the Court relating to the payment of interim and final compensation and expenses. The Court will review and determine all requests for compensation and reimbursement of expenses.



Class 2: Claims of Governmental Units. Class 2 consists of the Allowed Claims of governmental units entitled to priority treatment pursuant to 11 U.S.C. §507(a)(8). Included within the class 2 is the allowed priority claim of the IRS.

a. Internal Revenue Service.

The IRS has asserted a priority claim in this case totaling \$1,258.00 for withholding taxes. The IRS claim is based on an estimate, and the Debtor asserts it does not owe the IRS. The Debtor shall file an objection to the IRS claim to resolve the issue.

The Debtor shall remain current with all of its post confirmation federal tax obligations during the period it is making the payments required under this Plan.

b. Indiana Department of Revenue.

The IDR has not filed a claim against the Debtor, and the Debtor asserts it does not owe the IDR.

The Debtor shall remain current with all of its post confirmation state tax obligations during the period it is making the payments required under this Plan.

c. Indiana Department of Workforce Development.

The IDWD has not filed a claim against the Debtor, and the Debtor asserts it does not owe the IDWD

The Debtor shall remain current with all of its post confirmation tax obligations during the period it is making the payments required under this Plan.

Class 3: Secured Claims of Great Plains Transportation Services, Inc. Class 3 shall consist of Great Plains Transportation Services, Inc.'s ("Great Plain") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed approximately \$581,184.44 to Great Plains. After the case was filed, the Debtor obtained authority to permanently continue its pre-petition relationship with Great Plains when the Court entered the *Final Order Granting Motion for Authority to Obtain Secured Extension of Credit Pursuant to 11 U.S.C. §364 and Roll In Secured Lender's Pre-Petition Debt* [Docket #55] (the "Credit Order"), which is incorporated herein by reference. The Debtor shall make payments to Great Plains in accordance with the Credit Order.

Great Plains shall retain its lien on the Debtor's assets. The terms and conditions of the Factoring Agreement and any amendments by and between Great Plains and the Debtor are incorporated herein by reference.



Class 4: Secured Claims of Credibly. Class 4 shall consist of Credibly's Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed approximately \$132,875.98 to Credibly. Credibly asserts a fully secured claim pursuant to liens on all of the Debtor's assets. However, the Debtor's hard assets have no equity above amounts owed to purchase money security lenders, and Credibly's lien on general intangibles is junior to Great Plains. Accordingly, Credibly shall be entitled to an Allowed Secured Claim of \$15,000.00, which represents the equity in the general intangibles of the Debtor above the Great Plains' debt plus the Debtor's nominal personal property such as office furniture. Credibly's Allowed Secured Claim shall be amortized over five (5) years and shall accrue interest at five percent (5%) commencing on the first day of the month following the Date of Confirmation resulting in monthly payments of \$283.07. The first payment to Credibly under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowance of the secured claim, whichever is later, and continue monthly thereafter. Credibly shall be entitled to an Allowed Unsecured Claim of approximately \$117,875.98 and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Credibly remain in effect and are incorporated herein by reference.

Class 5: Secured Claims of BMO Harris Bank, N.A. Class 5 shall consist of BMO Harris Bank, N.A.'s ("BMO") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. The Debtor's obligations to BMO are secured to a 2016 Kenworth Truck with a VIN# ending in 8407, a 2016 Kenworth Truck with a VIN# ending in 8408, a 2016 Kenworth Truck with a VIN# ending in 8409, a 2016 Peterbilt Truck with a VIN# ending in 8500, a 2016 Cascadia Freightliner with a VIN# ending in 0968, a 2016 Wabash Reefer Trailer with a VIN# ending in 3953, a 2016 Wabash Reefer Trailer with a VIN# ending in 3955, a 206 Wabash Reefer Trailer with a VIN# ending in 3957, a 2016 Wabash Dry Van with a VIN# ending in 4487, and a 2014 Great Dane Dry Van with VIN# ending in 0093 (collectively, the "BMO-Debtor Collateral"). BMO shall have an Allowed Secured for the BMO-Debtor Collateral of \$440,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interest at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$8,303.44. The first payment to BMO under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowance of the claim, whichever is later, and continue monthly thereafter. BMO shall be entitled to Allowed Unsecured Claim for any deficiency regarding the BMO-Debtor Collateral and BMO shall be entitled to receive payments on its unsecured claim along with the Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and BMO remain in effect and incorporated herein by reference. Any adequate protection payments paid to BMO shall be retained as adequate protection and not applied towards BMO's Allowed Secured Claim.

The Debtor shall either lease or purchase the following pieces of collateral from the Debtor's President, Jatinder Singh, whom is purchasing the same from BMO: a 2015 Kenworth Truck with a VIN# ending in 1435, a 2015 Kenworth Truck with a VIN# ending in 1436, a 2015 Wabash Dry Van with a VIN# ending in 7506, a 2015 Wabash Dry Van with a VIN# ending in 7507, a 2015 Trailer with a VIN# ending in 6309, a 2015 Trailer with a VIN# ending in 6308, and a 2015 Trailer with a VIN# ending in 6307 (collectively, the "BMO-Singh Collateral"). The Debtor believes the BMO-Singh Collateral to be worth approximately \$265,000.00, and the Debtor would pay \$5,000.00 per month to either lease or purchase the BMO-Singh Collateral as agreed upon by BMO. To the extent of a purchase of the BMO-Singh Collateral the purchase price would be \$265,000.00 amortized over sixty (60) months at 5.0%. To the extent of a lease, the term would be for sixty (60) months with a right of termination upon thirty days notice.

BMO would retain its liens on the BMO-Debtor Collateral and on the BMO-Singh Collateral.

Class 6: Secured Claims of Navitas Credit Corp. Class 6 shall consist of Navitas Credit Corp.'s ("Navitas") Allowed Claim entitled to an allowed secured claim in the amount of \$12,890.24 (the "Allowed Secured Claim") pursuant to the terms and conditions of the Addendum attached hereto as Exhibit "A." The terms and conditions of the addendum are specifically incorporated herein. Except as modified herein, all underlying loan documents between the Debtor and Navitas remain in effect and are incorporated herein by reference.

Class 7: Secured Claims of Balboa Capital Corporation. Class 7 shall consist of Balboa Capital Corporation's ("Balboa") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed Balboa approximately \$65,142.46, and Balboa asserts a pre-petition secured claim amount of \$65,000.00 secured to a 2017 Wabash International Reefer Trailer with a VIN# ending 5316. Balboa shall have an Allowed Secured Claim of \$48,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$905.82. The first payment to Balboa under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Balboa shall be entitled to an Allowed Unsecured Claim of approximately \$17,142.46 and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Balboa remain in effect and are incorporated herein by reference.

Class 8: Secured Claims of Mercedes-Benz Financial Services USA LLC. Class 8 shall consist of Mercedes-Benz Financial Services USA LLC's ("Mercedes-Benz") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. The Debtor's obligations to Mercedes-Benz are secured to a 2016 Wabash International Reefer

Trailer with a VIN# ending 9372. Mercedes-Benz shall have an Allowed Secured Claim of \$48,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$905.82. The first payment to Mercedes-Benz under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Mercedes-Benz shall be entitled to an Allowed Unsecured Claim, to the extent the Debtor owed Mercedes-Benz more than its Allowed Secured Claim, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Mercedes-Benz remain in effect and are incorporated herein by reference.

Class 9: Secured Claims of Everbank Commercial Finance, Inc. Class 9 shall consist of Everbank Commercial Finance, Inc.'s ("Everbank") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed Everbank approximately \$327,523.00 secured to a 2014 Kenworth Truck with VIN# ending in 9064, a 2014 Kenworth Truck with VIN# ending in 9079, a 2014 Kenworth Truck with VIN# ending in 9063, a 2015 Peterbilt Truck with VIN# ending in 5748, and a 2014 Wabash Dry Van with a VIN# ending in 3369. Everbank shall have an Allowed Secured Claim of \$172,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$3,245.85. The first payment to Everbank under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Everbank shall be entitled to an Allowed Unsecured Claim of approximately \$155,523.00, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Everbank remain in effect and are incorporated herein by reference.

Class 10: Secured Claims of First Midwest Equipment Finance Co. Class 10 shall consist of First Midwest Equipment Finance Co.'s ("First Midwest") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed First Midwest approximately \$170,462.52 secured to a 2016 Freightliner with VIN # ending in 0969 as well as a 2016 Wabash National Dry Van Trailer with a VIN# ending in 4490. First Midwest shall have an Allowed Secured Claim of \$80,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$1,509.70. The first payment to First Midwest under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. First Midwest shall be entitled to an Allowed Unsecured Claim of

approximately \$90,462.52, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and First Midwest remain in effect and are incorporated herein by reference. Any adequate protection payments paid to First Midwest shall be retained as adequate protection and not applied towards First Midwest's Allowed Secured Claim.

Class 11: Secured Claims of Hitachi Capital America Corp. Class 11 shall consist of Hitachi Capital America Corp.'s ("Hitachi") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed Hitachi approximately \$130,746.62 secured to a 2017 Volvo with VIN #s ending in 3150. Hitachi shall have an Allowed Secured Claim of \$80,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$1,509.70. The first payment to Hitachi under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Hitachi shall be entitled to an Allowed Unsecured Claim of approximately \$50,746.62, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Hitachi remain in effect and are incorporated herein by reference. Any adequate protection payments paid to Hitachi shall be retained as adequate protection and not applied towards Hitachi's Allowed Secured Claim.

Class 12: Secured Claims of Huntington National Bank. Class 12 shall consist of Huntington National Bank's ("Huntington") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed Huntington approximately \$137,640.27 secured to a 2016 Kenworth Truck with VIN # ending in 7061 as well as a 2016 Wabash Trailer with a VIN# ending in 3003. The Debtor asserts that Huntington has a perfection issue relating to the trailer as Huntington noted its lien on the title of a different trailer. As a resolution, Huntington shall have an Allowed Secured Claim of \$65,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$1,226.63. The first payment to Huntington under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Huntington shall be entitled to an Allowed Unsecured Claim of approximately \$72,640.27, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Huntington remain in effect and are incorporated herein by reference. Any adequate protection payments paid to Huntington shall be retained as adequate protection and not applied towards Huntington's Allowed Secured Claim.

Class 13: Secured Claims of PACCAR Financial Corp. Class 13 shall consist of PACCAR Financial Corp.'s ("PACCAR") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed PACCAR approximately \$118,169.75 secured to a 2016 Kenworth Truck with VIN # ending in 3226. PACCAR shall have an Allowed Secured Claim of \$60,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$1,132.27. The first payment to PACCAR under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. PACCAR shall be entitled to an Allowed Unsecured Claim of approximately \$58,169.75, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and PACCAR remain in effect and are incorporated herein by reference. Any adequate protection payments paid to PACCAR shall be retained as adequate protection and not applied towards PACCAR's Allowed Secured Claim.

Class 14: Secured Claims of Santander Bank, N.A. Class 14 shall consist of Santander Bank, N.A.'s ("Santander") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed Santander approximately \$64,714.60 secured to two (2) 2017 Duraplex Wabash Trailers with VIN #s ending in 7566 and 7574. Santander shall have an Allowed Secured Claim of \$34,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$641.62. The first payment to Santander under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Santander shall be entitled to an Allowed Unsecured Claim of approximately \$30,714.60, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Santander remain in effect and are incorporated herein by reference.

Class 15: Secured Claims of Siemens Financial Services, Inc. Class 15 shall consist of Siemens Financial Services, Inc.'s ("Siemens") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed Siemens approximately \$119,774.43 secured to a 2014 Kenworth Truck with VIN # ending in 9064 as well as two (2) 2014 Wabash Dry Vans with VIN#s ending in 4292 and 4287. Siemens shall have an Allowed Secured Claim of \$76,500.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$1,443.65. The first payment to Siemens under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed



of the secured claim, whichever is later, and continue monthly thereafter. Siemens shall be entitled to an Allowed Unsecured Claim of approximately \$43,274.43, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Siemens remain in effect and are incorporated herein by reference. Any adequate protection payments paid to Siemens shall be retained as adequate protection and not applied towards Siemens' Allowed Secured Claim.

Class 16: Secured Claims of Banc of America Leasing & Capital LLC. Class 16 shall consist of Banc of America Leasing & Capital LLC's ("BOA") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed BOA approximately \$249,595.74 secured to two (2) 2016 Volvo Trucks with VIN #s ending in 9222 and 7892. BOA shall have an Allowed Secured Claim of \$140,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$2,641.97. The first payment to BOA under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. BOA shall be entitled to an Allowed Unsecured Claim of approximately \$109,595.74, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and BOA remain in effect and are incorporated herein by reference. Any adequate protection payments paid to BOA shall be retained as adequate protection and not applied towards BOA's Allowed Secured Claim.

Class 17: Secured Claims of Volvo Financial Services. Class 17 shall consist of Volvo Financial Service's ("Volvo") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. As of the petition date, the Debtor owed Volvo approximately \$127,135.49 secured to a 2017 Volvo Truck with a VIN # ending in 1655. Volvo shall have an Allowed Secured Claim of \$80,000. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$1,509.70. The first payment to Volvo under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Volvo shall be entitled to an Allowed Unsecured Claim of approximately \$47,135.49, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Volvo remain in effect and are incorporated herein by reference. Any adequate protection payments paid to Volvo shall be retained as adequate protection and not applied towards Volvo's Allowed Secured Claim.

Class 18: Secured Claims of Wabash National Financial Services. Class 18 shall consist of Wabash National Financial Services's ("Wabash") Allowed Claim entitled to secured treatment pursuant to 11 U.S.C. §506. The Debtor's obligations to Wabash are secured to two (2) 2017 Wabash Trailers with VIN #s ending in 2521 and 2522. Wabash shall have an Allowed Secured Claim of \$34,000.00. The Allowed Secured Claim shall be amortized over five (5) years and shall accrue interests at five percent (5%) commencing on the first day of the month following the Date of Confirmation or the date of allowance of the claim, whichever is later, resulting in monthly payments of \$641.62. The first payment to Wabash under its secured claim shall commence on the 15<sup>th</sup> day of the second month following Confirmation, or allowed of the secured claim, whichever is later, and continue monthly thereafter. Wabash shall be entitled to an Allowed Unsecured Claim, to the extent the Debtor owed Wabash more than its Allowed Secured Claim, and shall be entitled to receive payments on its unsecured claim along with Class 19 claim holders as described below. Except as modified herein, all underlying loan documents between the Debtor and Wabash remain in effect and are incorporated herein by reference.

Class 19: Unsecured Non-Priority Claims. Class 19 shall consist of the allowed unsecured non-priority claims, including either the deficiencies or stripped lien claims of those claimants asserting secured status.

The unsecured claims total approximately \$1,000,000.00 amongst seventeen (17) claimants including deficiency claims of secured parties. The unsecured creditors shall receive a pro-rata share from the aggregate amount of \$25,000.00 to be paid in equal annual installments of \$5,000.00 over a five-year period commencing on the first anniversary of the Confirmation Date.

Class 20: Shareholders. Jatinder Singh ("Singh") shall retain his interest in the Debtor. The claims of Singh shall be, and hereby are, subordinated to payment of Class 19 claim holders as identified above. The Debtor shall not make any payments to Singh for his claims, if any, until after the satisfaction of the distributions to Class 19 claim holders as described above.

B. Payment of Certain Priority Claims.

The Plan provides for payment in full, and in cash, of all administrative and priority claims under 11 U.S.C. §507(a)(1). All United States Trustee quarterly fees shall be paid by the Debtor at Confirmation if not previously paid.

C. Summary of Other Provisions of the Plan.

Executory Contracts and Unexpired Leases. Effective as of the Confirmation Date, the Debtor hereby rejects any and all executory contracts and unexpired leases which have not been previously or hereby been assumed or rejected. Any person or entity injured by such rejection shall be deemed to hold a General Unsecured Claim against the Debtor and shall be treated in accordance with Unsecured Claims of Class 19. Such



persons shall file a proof of claim for any damages resulting there from, or be forever barred from asserting any Claim, within ten (10) days following the Confirmation Date. The Debtor and all parties in interest reserve the right to object to any Claim asserted under this section.

1. Modification of the Plan. Debtor may propose written modifications to the Plan at any time prior to the Confirmation Date; provided, however, that the Plan satisfies the requirements of the Code. If the circumstances warrant, after the Confirmation Date and before substantial consummation of the Plan, Debtor may modify the Plan; provided, however, that the Plan, as modified, meets the requirement of the Code, and the Court, after notice and a hearing, reaffirms the Confirmation of the Plan, as modified. Unless within the time fixed by the Court a creditor changes its previous acceptance or rejection of the Plan, such previous election shall be deemed applicable to the Plan.

2. Post-confirmation Jurisdiction. The Court shall retain exclusive jurisdiction over this Chapter 11 case for the purpose of determining any matters pertaining to the Plan or the Confirmation Order, including determining all disputes or controversies arising out of the Plan and its interpretation, enforcement or consummation.

D. Means of Execution and Implementation of the Plan.

The Plan contemplates payments from Debtor continuing its freight operation.

ARTICLE VI  
CONFIRMATION STANDARDS

The Court shall confirm the Plan at the confirmation hearing only if the requirements of §1129 of the Code are met. Those requirements include:

A. Best Interests Test.

Section 1129(a) of the Code requires that, with respect to each impaired Class, each member of such Class either has accepted the Plan, or will receive or retain under the Plan an account of its claim, property of a value, as of the Effective Date, that is at least equal to the amount which such member of the Class would receive or retain if the Debtor was liquidated under Chapter 7 of the Code. The Court, in considering whether the Plan is in the “best interests” of creditors, is not required to consider any alternative to the Plan other than the dividend projected in a liquidation of all the Debtor’s assets under Chapter 7 of the Code. Debtor directs creditors to the schedules filed in its bankruptcy proceeding for a description of the assets.

B. Feasibility Test.

If the Debtor is proposed to be reorganized, the Court must also determine that confirmation of the Plan is not likely to be followed by the liquidation or further financial reorganization of the Debtor. The Plan is anticipated to be funded from ongoing operations, Debtor asserts the Plan is feasible. The Debtor directs creditors to the projections attached hereto as Exhibit “C.”

C. Good Faith Requirement.

In order to confirm a Plan, the Court must find that the Plan was proposed in good faith and that the Plan and its proponent have complied with all applicable provisions of the Code.

D. Acceptance.

Each impaired class must accept the Plan by the percentage set forth in §1126 of the Code, or the Court must find that the Plan complies with the “fair and equitable” tests described below with respect to any such non-accepting Class.

E. Fair and Equitable Test.

If less than all the impaired Classes accepts the Plan, the Plan may nevertheless be confirmed by the Court under §1129(b) of the Code, as long as one (1) impaired Class has affirmatively voted to accept the Plan, not counting the votes of any “insiders.” In order to be confirmed pursuant to §1129(b) of the Code, Debtor must demonstrate to the Court that as to each non-accepting Class, the Plan “does not discriminate unfairly” and is “fair and equitable with respect to that class.” A Plan does not discriminate unfairly if no Class receives more than it is entitled to for its claim. The Code establishes different “fair and equitable” tests for secured creditors and unsecured creditors as follows:

1. Secured Creditors. An impaired secured creditor whose claim is impaired must retain the liens securing its Claim and receive under the Plan cash payments that have a present value at least equal to such holder’s Allowed Secured Claim, or otherwise receive the “indubitable equivalent” of the value of the interest in Debtor’s asset upon which it holds a lien.

2. Unsecured Creditors. An impaired unsecured creditor whose claim is impaired must receive or retain under the Plan, property of value at least equal to the amount of its allowed unsecured claim, or the holders of the claims or interests junior to the claims of the dissenting class of unsecured creditors will not receive any property under the Plan.

ARTICLE VII  
RECOMMENDATION

Debtor believes that confirmation and implementation of this Plan is preferable to any of the alternatives described above because it will provide a greater recovery to claimants than any other alternative, each of which may involve a significant delay, uncertainty and substantial additional administrative costs. Debtor urges holders of claims against and interest in the Debtor to accept this Plan.

Date: November 30, 2017

Amrit Freight Transport, Inc.

/s/ Jatinder Singh  
Jatinder Singh, President

HESTER BAKER KREBS LLC

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