

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF IOWA

IN RE:)
)
WILLMAN CONSTRUCTION, INC.) Chapter 11
)
Debtor-in-Possession.) Case No. 16-00774

SECOND AMENDED DISCLOSURE STATEMENT (DATED FEBRUARY 20, 2017)

I. INTRODUCTORY STATEMENT

Willman Construction, Inc., Chapter 11 Debtor-in-Possession, is a Davenport, Iowa-based multi-faceted construction company created by Mark Willman, originally as a sole proprietorship and later in 1992 as a corporation. Willman Construction, Inc. (hereinafter, “Willman” or “debtor-in-possession”), the debtor entity in this Chapter 11 proceeding, provides this Disclosure Statement (hereinafter, “Disclosure Statement”) to all of its known creditors in order to disclose that information deemed by the debtor to be material, important and necessary for its creditors to arrive at an informed decision in exercising their rights to vote for acceptance of the debtor’s reorganization plan (the "Plan") presently on file with the Bankruptcy Court.

A copy of the Plan of Reorganization (hereinafter, “Plan”) accompanies this Disclosure Statement and is marked as Exhibit 1. The debtor has proposed the Plan described below. The Court has fixed the date and times stated in the order* or notice accompanying this Disclosure Statement as the last date by which objections to the Plan must be filed with the clerk and by which ballots must be transmitted to the debtor’s attorney. No ballot received by the attorney for the debtor after such time will be counted. Whether or not a creditor or interest holder votes on

* The procedure assumes this Disclosure Statement to be disseminated pursuant to the Court’s November ____, 2016 Order, a copy of which is included in this packet pursuant to _____ of such Order (Doc. No. ____).

the Plan, such person will be bound by the terms and treatment set forth in the Plan, if the Plan is accepted by the requisite majority of classes of creditors and interest holders and/or is confirmed by the Court. Creditors or equity interest holders that do not vote will not be counted in determining acceptance or rejection of the Plan. Allowance of a claim or interest for voting purposes does not necessarily mean that the claim or interest will be allowed or disallowed for distribution purposes. All claims to which an objection has been made will be allowed for distribution only as determined by the Court, which determination may be made after the Plan is confirmed.

The Court has also set the date and time stated in the order or notice accompanying this Disclosure Statement for the hearing on confirmation of the Plan. Creditors may vote on the Plan by filling out the ballot, including designating the appropriate class, and returning the accompanying ballot to the attorney for the debtor as specified. Acceptance of the Plan by each creditor is important. In order for the Plan to be deemed accepted by a class of creditors, creditors that hold at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the creditors that vote in such class must vote to accept the Plan.

NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATION OR INDUCEMENTS MADE TO SEEK YOUR ACCEPTANCE, WHICH ARE OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION ABOUT THE PLAN.

II. THE PLAN¹ OF REORGANIZATION

A. OBJECTIVE OF THE PLAN.

¹ This filing is the Amended Disclosure Statement describing the Amended Plan. It is referred to as the Plan (or the Amended Plan) throughout.

The Plan of Reorganization proposed by this debtor seeks to pay its existing creditors to the best of its ability. The property of this debtor principally consists of:

- (A) Real estate located at 1123 W. 3rd Street, valued at \$20,100.00; 1125 W. 3rd Street, Davenport, Iowa valued at \$18,030.00; and a one-acre plot worth \$4,000.00 (Schedule A/B – Real Estate).
- (B) Personal Property mainly, Vehicles, machinery and equipment (Schedule A/B – Personal Property and Amended Schedule A/B – Personal Property) valued at \$189,839.00; accounts receivable valued at \$286,005.00 as of the date of petition (Schedule A/B – Personal Property) and \$868,991.00 as of 1/31/2017; inventory \$49,170.00 (Schedule A/B – Personal Property), furniture and fixtures (Schedule A/B – Personal Property); WIP (no Schedule A/B value listed; potential, original estimated value at \$20,000.00 as of the date of the petition. This figure has been modified to reflect accrual accounting of under-billed versus over-billed amounts in relation to actual expenses incurred and now estimated at \$20,000.00 as of 1/31/17; any other miscellaneous assets including intangibles estimated at \$5,000.00.

This Plan is based upon the assumption that the liquidation of Willman's assets would not provide FULL payment to all of its secured creditors, much less its unsecured creditors, nor meaningful payments to general unsecured creditors. The Plan, as proposed, should meet the liquidation analysis. The assets of Willman Construction, Inc. have substantial value as a going-concern, but much less value if the business is terminated. Moreover, the assets are liened partially to Quad City Bank & Trust and secondarily to the IRS. The present estimate of the liquidation value of the debtor's property would provide less than full payment to the claiming

secured creditors upon liquidation. This Plan will provide payment of a not insubstantial portion of the principal amount of all allowed unsecured claims held by non-insiders. The Plan will provide for full payment of the allowed amount of secured claims with interest at a rate sufficient to provide payment of each secured claim as required by Section 1129(b)(2)(A) of the Bankruptcy Code.

While this Disclosure Statement is intended to be as accurate and concise as feasible and therefore to provide “ADEQUATE” information, to the extent that the terms of this Disclosure Statement conflict with those of the Plan or of any Bankruptcy Court Order confirming a Plan, then the terms of the Court’s Order confirming the Plan (as may be modified or amended) shall be controlling.

B. ORGANIZATION AND SUMMARY OF THE PLAN.

A copy of the Plan of Reorganization is attached to this Disclosure Statement as Exhibit 1 and you should examine it in detail. The claims are organized into classes according to the nature of the claims.

The amounts of claims in each class are set forth in Section VIII below. The classes of claims are fully described in the Plan and the treatment of each class is described in detail in Article II of the Plan. This Plan is based upon the future generation of income from the business of the debtor. The Plan does not discount a certain amount of post-petition lending to the extent necessary and advisable. The Plan provides for retirement of the existing secured debt in an orderly manner, payment of administrative and priority plan claimants with interest and payment of unsecured debt as provided in the Plan over time.

Use of this plan system pays creditors payment of their claims as per the Plan before the shareholder receives any distributions on account of their ownership interests. The debtor will account for all income and expenses on an annual basis and supply that data to creditors who request it. All claimants and other parties in interest should read the Plan itself for an explanation of the payment structure.

III. DESCRIPTION OF OPERATIONS AND HISTORICAL BACKGROUND

For many years Mark Willman worked as a union insulator. He worked a great deal of time at the enormous Oscar Mayer plant at West Davenport. He also worked other jobs and learned a great deal over the years about general contracting. On April 1, 1992 he started his own company, Willman Construction, Inc. At that time, it provided mainly insulation work at Oscar Mayer. The Company gradually diversified its service mix by adding other union trades including laborers, carpenters, operators, finishers, bricklayers, and iron workers. Willman Construction, Inc. now works mostly as a subcontractor in the Quad City area, although, it also has done some general contractor work. Willman has ventured out into some other areas for customers with other locations at times. Willman has always (proudly) been a union shop.

As a result of Mark Willman's knowledge of the workings of the Oscar Mayer plant, sometime in the early 2000's, Oscar Mayer management came to him to see if Mark Willman or Willman Construction, Inc. could take over certain maintenance responsibilities at the Oscar Mayer plant. A new company was formed, Tri-State Construction, Inc., owned by Mark Willman which has almost exclusively worked at the Oscar Mayer plant as a maintenance entity.

Tri-State Construction, Inc. was separately formed and kept all of the original Oscar Mayer employees that were working the maintenance systems prior thereto and they became the Tri-State employees.

Willman Construction, Inc.'s pay schedule (receipt of account receivable) is usually on a "pay when paid" basis. Because Willman usually works as a subcontractor, Willman is paid when the general contractor gets paid by the customer/owner. This is obviously a difficult business model, is so for many construction companies; but in the 22 years of Willman's existence, Willman has adapted to it.

However, there have been times when Willman has fallen behind in paying payables, including its bank loan and especially union benefits. A few years ago, Quad City Bank & Trust, a first lien holder, called the line of credit.

Over the years, Willman has always paid union dues in full, including late fees and penalties. In the early part of 2015, Willman got behind in union benefits due to substantially irregular payments made to Willman by contractors and customers. At this time, while most of the unions worked with Willman, the Carpenters Union pulled the carpenters from Willman in early July 2015. Despite negotiations and discussions, the Carpenters remained pulled. At that time, Willman Construction, Inc. was without manpower for certain projects that needed to be completed. Some of that work was subcontracted to Tri-State Construction. This was completely transparent and the Carpenters business agent was informed of this. Litigation was begun by the Carpenters in federal court in Chicago up to the time of the filing. This is what led to a substantial interrelationship between Tri-State Construction, Inc. and Willman Construction, Inc.

Willman is now only using operators and laborers. Mark or Matt might also work as insulators. Going forward those payments and all union payments, reports and benefits will remain current.

Going forward, Tri-State has been reduced and has no current working jobs and is reduced to clerical employees. It still owns equipment. In August 2016, Tri-State did sign on with Laborer's Local 309.

It is incorrect to state, as stated on the United States Trustee's objection, Document Number 131, page 2, that Willman and Tri-State shared "staff, equipment and overall business dealings." They did not share staff. Willman only occasionally leased some equipment from Tri-State. There was no sharing of overall business dealings. There was a mere subcontracting during the portion of 2015 when collection of receivables took an unexpected nose-dive and the Carpenters were pulled from jobs.

Quad City Bank & Trust has reduced their claim by seizing cash surrender life insurance in the amount of \$65,000.00 shortly prepetition and obtained through forceful creditor pressure on Mark and Ellen Willman to pay \$85,000.00 in excess proceeds from the sale of Florida real estate owned by the Willmans personally and not subject to any lien. This was in addition to the sizeable Florida mortgage. Quad City Bank & Trust has threatened Willco, LLC [owned by Mark and Ellen Willman] with foreclosure of real estate. The cash collateral order granting lien retention expired months ago.

IV. DESCRIPTION OF ASSETS

A. REAL PROPERTY**

1. 1123 W. 3rd Street, Davenport, IA: Acts as business facility and storage. Valued at \$20,110.00.
2. 1125 W. 3rd Street, Davenport, IA: Storage with an unoccupied building valued at \$18,030.00.
3. 1 acre lot valued at \$4,000.00.

** Exhibit 2 is an explanation of the real estate and lien status.

B. PERSONAL PROPERTY

1. Inventory

Miscellaneous inventory \$49,170.00.

2. Machinery & Equipment – Schedule A/B/Amended Schedule A/B Values total approximately \$55,075.00.

3. Accounts Receivable

As of petition date, \$286,000.00 but accounts receivable have been booked post-petition as follows:

Date	Amount
May 2016	\$480,020.00
June 2016	\$724,090.00
July 2016	\$724,111.00
August 2016	\$881,684.00
September 2016	876,914.00
October 2016	\$1,030,297.00
November 2016	\$1,003,680.00
December 2016	\$1,101,199.00
January 2017	\$808,991.00

4. Cause of Action

As of the date of filing, debtor-in-possession was a judgment holder versus Alacran, LLC for \$92,536.00. This judgment will be pursued.

As of the date of filing, Debtor-in-Possession had a cause of action for malpractice against Attorney Earl A. Payson of Davenport, Iowa. The Debtor-in-Possession has decided to make that claim. It concerns the Alacran, LLC contract and payment on that job to Boyd Aluminum for windows and a failure to observe the Miller Act. At present, an offer of \$45,000.00 from the malpractice carrier (CNA) has been made. It is expected that this will be negotiated upward, much closer to the \$92,536.00 figure. Debtor-in-Possession retained Attorney John Moeller who has filed suit in state court and is pursuing a resolution. Debtor-in-possession may have other unliquidated claims against various entities, including counter-claims, cross-claims and the like, but investigation continues into these “potential claims.” No value claimed at present.

V. SIGNIFICANT EVENTS DURING BANKRUPTCY CASE

- 1. As of the date of filing of this Disclosure Statement, debtor-in-possession had filed motions and/or obtained orders:**
 - a. Employing counsel;
 - b. Assuming important executory contract (United Fire);
 - c. Assuming executory equipment contract (Altorfer);
 - d. Obtaining order allowing payment of certain prepetition checks;
 - e. Allowing use of cash collateral (Quad City Bank & Trust);
 - f. After a first contested Motion to Convert, denying such motion;
 - g. Allowing the retention after a great deal of consternation of, as well as performed substantial work with CPA, Bill Karben who has reconciled and worked over the financial information attached;
 - h. Allowing payment for such accountant over objection;

- i. Also, counsel: filed a Disclosure Statement and Plan;
 - j. Prepared and filed an Amended Disclosure Statement and Plan (November 11, 2016);
 - k. Worked with and retained (through Court order) Attorney John Moeller;
 - l. Worked with CPA, Bill Karben, to rationalize the financials for this procedure;
 - m. Worked on Second Amended Disclosure Statement and Plan;
 - n. Is now faced with a second, ill-conceived Motion to Convert – based on faulty judgment, most, if not all of the “administrative expenses” have now been paid; See Iowa Department of Revenue withdrawing almost \$40,000.00 in post-petition claims – all due to receipt of a late \$200,000.00 Kraft receivable; and
 - o. Substantial other work towards confirmation of a reorganization plan.
2. **Describe any asset sales outside the ordinary course of business, debtor in possession financing, or cash collateral orders.**

There were no asset sales outside the ordinary course of business (except one pickup truck) nor debtor-in-possession financing and so far, one expired cash collateral order.

3. **Identify the professionals approved by the court.**

Three professionals have been approved by the court, Attorney Dale G. Haake; Certified Public Accountant, William Karben; and Attorney John Moeller. Special Real Estate Counsel, Michael Gorsline, may be needed later.

4. **Describe any adversary proceedings that have been filed or other significant litigation that has occurred (including contested claim disallowance proceedings), and any other significant legal or administrative proceedings that are pending or have been pending during the case in a forum other than the Court.**

None at present, but claims analysis not yet complete.

5. **Describe any steps taken to improve operations and profitability of the Debtor.**

The Debtor-in-Possession has substantially reduced in-house staff. Two secretaries were terminated. An in-house bookkeeper was released. A project manager was terminated. Mark Willman has also developed a positive reputation as a “general” contractor. When in that capacity, margins increase.

VI. PROJECTED RECOVERY OF AVOIDABLE TRANSFERS

Debtor lists the payments to insider, Tri-State Construction, Inc. within 30 days (Statement of Financial Affairs, paragraph 3) and within one year (Statement of Financial Affairs, paragraph 4). These were all for proper invoices, leases, payments, etc. Other individual Willmans received no property transfers or anything of value, other than compensation for services, many of the checks for which payment were not cashed. Within 1 year, Mark's compensation was less than \$82,000.00 and no other family member was above that amount. Ellen Willman received no compensation for services.

The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions at this time. Investigation continues, especially into various potential claims, cross-claims, counter-claims and other causes of action. Claims analysis not complete.

Counsel and CPA Karben have reviewed the 90 day cash disbursements; all ordinary course. Nor any "insider preferences" exist, nor any other type of §541 *et seq.* recovery.

VII. CURRENT AND HISTORICAL FINANCIAL CONDITION

The identity and fair market value of the estate's assets with a lien analysis are all listed in Exhibit 2.

In the prior Disclosure Statement, the Debtor-in-Possession provided "A summary of the Debtor's most recent financial statement issued before bankruptcy, which was filed with the Office of the United States Trustee." Those had been attached as Exhibit 3A and 3B.

Debtor-in-Possession is now able to provide as prepared by CPA Bill Karben from the financial records in some disarray, a combined Balance Sheet – as of 1/31/17, and an Income Statement as of 1/31/17 – Exhibit 3. The year-end income statement used to complete the 2015

tax return with accountant's markings is available; but no longer attached. It was Exhibit 3C on the prior filing.

Detailed projected cash flows are attached as Exhibit 4 and a Plan Payment and Calculation Detail, Exhibit 4A. In addition, a report entitled "Status of Open Jobs" is attached hereto as Exhibit 5 and CPA Karben's WIP Reports as Exhibit 5A.

VIII. DESCRIPTION OF LIABILITIES AND PLAN TREATMENT

The liabilities of the entity are described in the schedules filed in this proceeding and also generally set forth below. The following is a summary of the approximate amount of debt in each class and a treatment provided by the Plan for the satisfaction of that debt. **Creditors are reminded that the Plan and Confirmation Order control not the terms of this Disclosure Statement.**

Unclassified Claims: The fees of the United States Trustee will be paid up to date on or before the effective date of the Plan. Those fees will extend to the closing date of this proceeding and they will be paid in full as they come due. Once the bankruptcy case is closed by Final Decree, even though there remain payments to be made to either administrative, secured, or unsecured creditors, no further payments will be made to the Office of the United States Trustee. 28 U.S.C. §1930.

The general administrative claims of the debtor will be paid in full on or before the effective date of the Plan or later by agreement with the holder of the claim. By the time of confirmation, administrative claims may well have been paid in the ordinary course of business throughout the pendency of the proceeding by separate application, notice, and order.

Identifiable administrative claims are as follows: Inventory paid timely. Altorfer check going out November 10 or November 11 (executory contract); Laborer's administrative motion –

check issued November 10 or November 11 for counsel to forward; all union reports, benefits to be current upon filing;

There are unpaid attorney fees and expenses through November 11, 2016 of approximately \$15,000.00. These are not yet billed nor pending before the Court. Another \$1,000.00 to \$5,000.00 to get through confirmation (zero to one evidentiary hearings). The total of the remaining fees and expenses will depend upon the length and complexity of the confirmation process. Counsel expects to be able to agree with the Debtor on a payment schedule for payment of those fees and expenses.

Retained professional CPA, Bill Karben, has an estimated \$7,500.00 unbilled administrative expense to date which will depend on the length and complexity of the confirmation process. Appearance and preparation therefore separately billed. Accountant's fees as an administrative expense are to be billed and paid after court order. Any amounts to be billed to the debtor-in-possession, rather than to a third party, will be incorporated into an application for the court's consideration and order such application will be consistent with the prior order approving employment and consistent with *In re Pothoven*. Debtor-in-possession has now completed new cash flows and financial statements (balance sheets and income statements) for exhibits hereto prepared by retained accountant, Bill Karben.

SEE EXHIBIT 1, PLAN OF REORGANIZATION.

Unsecured Claims, Unsecured Components of Secured Claims, and Small Claims.

The remaining claims (other than subordinated or disallowed claims) in this case are to be paid at 50% by the Debtor and shall be paid, quarterly, over a period of 10 years commencing at the 241st month after confirmation at 3.25% interest per annum.

IX. SALARY OF EQUITY SECURITY HOLDERS

The equity security holders, Mark Willman and Ellen Willman are paid as follows:

- Mark Willman receives an annual salary of \$80,028.00 and is reimbursed for out-of-pocket expenses.
- Ellen Willman does not receive a salary.

X. LIQUIDATION ANALYSIS

The liabilities for the Debtor are set forth above. Attached to this Disclosure Statement and incorporated by reference herein as Exhibit 6 is a hypothetical Liquidation Analysis for Willman Construction, Inc. As the Liquidation Analysis shows, there would be no dividend payable, to unsecured creditors in the event of a liquidation. The Debtor is proposing a Plan, which will provide for certain repayment of the debts of this Debtor, on all allowed claims, whether secured or unsecured, in accordance with the provisions of §1129 of Title 11 of the United States Code. The unsecured claims will be paid from net income and asset sales, if any, after the satisfaction of all administrative claims, including U.S. Trustee's fees and attorneys' fees and accounting fees for this Debtor and concomitantly with secured class. Asset sales are unlikely, but not ruled out and would be subject to any lien as shown on the portion of this Disclosure Statement concerning secured claims.

The Plan provides for payment of secured and unsecured debt in an orderly manner. As the priority and secured debt are paid, additional funds will become available to be paid to unsecured creditors and the Debtor will recalculate the amounts which it can pay on a quarterly basis to unsecured creditors in the years following the payment, in full, of the priority and secured creditors. The Debtor will proceed with its efforts to increase its income and profitability in order to pay all of the debt of the Debtor entity as quickly as possible pursuant to

the terms of the Plan. The Plan prohibits any distribution to shareholders as a dividend, or otherwise, until Plan debt is paid in full.

XI. CONCLUSION

The Debtor has chosen this Plan of Reorganization in order to provide the best possible payment to its unsecured creditors and to provide for orderly satisfaction to all other claims held by its creditors.

Dated this 20th day February.

Willman Construction, Inc.,
Chapter 11 Debtor-In-Possession,

By: 
Dale G. Haake

Dale G. Haake (03124381)
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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Second Amended Disclosure Statement was served upon all parties to the above cause, to each of the attorneys of record herein, via electronic service set forth below on February 20, 2017.

L Ashley Zubal on behalf of U.S. Trustee United States Trustee
USTPRegion12.DM.ECF@usdoj.gov, ashley.zubal@usdoj.gov

Nathan J Borland on behalf of Creditor Internal Revenue Service
nathan.borland@usdoj.gov, usaia.nefbankruptcy@usdoj.gov

H J Dane on behalf of Creditor Eljon Crane, Inc.
hjdane@hjdane.com, kayla@hjdane.com:elizabeth@hjdane.com

H J Dane on behalf of Creditor United Construction Co.
hjdane@hjdane.com, kayla@hjdane.com:elizabeth@hjdane.com

Timothy M Feeney on behalf of Creditor Board of Trustees of Carpenters Fringe Benefit Fund of Illinois
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Gregory N Freerksen on behalf of Creditor Chicago Regional Council of Carpenters Local 4
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Dale G Haake on behalf of Debtor Willman Construction, Inc.
dhaake@katzlawfirm.com, vkennedy@katzlawfirm.com:jcook@katzlawfirm.com

Stephanie L Hinz on behalf of Creditor Ford Motor Credit Company LLC
SHinz@pbalawfirm.com, dlatino@pbalawfirm.com

Douglas R Lindstrom, Jr on behalf of Creditor Quad City Bank & Trust Company
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Samuel Z Marks on behalf of Creditor Internl Union of Operating Engineers, Local 150
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Samuel Z Marks on behalf of Creditor Local 150 IUOE Vacation Savings Plan
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Samuel Z Marks on behalf of Creditor Midwest Operating Engineers Welfare Fund
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Samuel Z Marks on behalf of Creditor Operating Engineers Local 150 Apprenticeship Fund
office@markslawdm.com

United States Trustee

USTPRegion12.DM.ECF@usdoj.gov

Mark D Walz on behalf of Creditor Central Laborers' Pension, Welfare & Annuity Funds
markwalz@davisbrownlaw.com, markwalz@davisbrownlaw.com

John E Waters on behalf of Creditor Iowa Department of Revenue
IDRBankruptcy@iowa.gov

Courtesy copy to:

Willman Construction, Inc.

/s/ Dale G. Haake
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United States Bankruptcy Court
Southern District of Iowa

In re Willman Construction, Inc.

Debtor(s)

Case No. 16-00774

Chapter 11

WILLMAN CONSTRUCTION, INC.'S SECOND AMENDED PLAN OF
REORGANIZATION, DATED FEBRUARY 20, 2017

ARTICLE I
SUMMARY

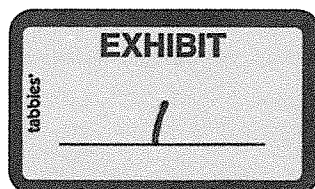
This Amended Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Willman Construction, Inc. (the "Debtor") from cash flow from operations, future income and potentially an infusion of capital. Assets also may be sold to fund the Plan.

This Plan provides for 4 classes of secured claims; 3 classes of unsecured claims (priority, general and subordinated); and 1 class of equity security holders unclassified claimants are provided for. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately 50 cents on the dollar. This Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

- 2.01 Classes P-1 through P-12. All allowed claims (as of Plan filing date subject to verification and objection) entitled to priority under § 507 of the Code (except administrative expense claims under § 507(a)(2) and priority tax claims under § 507(a)(8)).
- 2.02 Class S-1 through S-4. The claims of Ford Motor Finance, Quad City Bank & Trust and the Internal Revenue Service, to the extent allowed as a secured claim under § 506 of the Code.
- S-1 Ford Motor Credit Company secured by 2016 F350 pickup truck (VIN ENDING: 1929).
- S-2 Ford Motor Credit Company secured by 2016 F350 pickup truck (VIN ENDING: 2156).
- S-3 Quad City Bank & Trust (2013) purported blanket lien on certain assets.
- S-4 IRS purported tax lien (2015) see Proof of Claim.
- 2.03 Class 3. All general unsecured claims (without priority) allowed under §502 of the Code including undersecured portions of secured claimants' interests.
- 2.04 Class 4. Subordinated Claims. Any allowed claims subordinated under §510(c) or under any other authority.
- 2.05 Class 5. Equity interests of the Debtor.



ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid within 5 years from date of filing or 6 years from date of assessment. The specific treatment of the Iowa Department of Revenue is also described below in section 3.04 and 3.05. PTX holders at present are:

NO.	CLAIMANT	CLAIMED AMOUNT	Class
PTX	Iowa Department of Revenue (Claim No. 12)	\$50,596.12	No class
PTX	Iowa Department of Revenue (Claim No. 13)	\$ 9,880.52	No class
PTX	Internal Revenue Service (Claim No. 14)	\$100,527.64	No class
PTX	Illinois Department of Revenue (Claim No. 15)	\$1,346.07	No class
PTX	Illinois Department of Revenue (Claim No. 16)	\$7,358.92	No class
PTX	Illinois Department of Employment Security (Claim No. 33)	\$29,448.00	No class

3.04 All tax claims owed to the Iowa Department of Revenue and entitled to priority under 11 U.S.C. §507(a)(8) shall be paid in full, together with interest at a rate of 4.8% per year beginning on the effective date of the Plan, through equal monthly payments commencing on the 15th day of the first month following the effective date and ending April 15, 2021.

3.05 In the event that the Debtor fails to make any payments required by the Plan, the Iowa Department of Revenue may declare the entire amount of its general unsecured and priority claims due and pursue its state law remedies for the collection of unpaid taxes.

3.06 The Internal Revenue Service has a partly unsecured claim of \$25,873.56 and is to be paid at 4.0% interest, \$478.94 per month for 60 months. Payments to begin May 1, 2017 or within 30 days of effective date of the Plan.

3.07 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

NOTE: All claims are subject to verification and objection.

4.01 Claims and interests shall be treated as follows under this Plan:

Class	Impairment	Treatment
Class 1 - Priority Unsecured Claims (P-1) Ironworkers Mid-American Pension Plan (P-2) Central Laborers' Pension Welfare and Annuity Fund (P-3) International Union of Operating Engineers (P-4) Midwest Operating Engineer Welfare Fund (P-5) Midwest Operating Engineer Pension Trust Fund (P-6) Operating Engineers Local 150 Apprenticeship Fund (P-7) Local 150 IUOE Vacation Savings Plan (P-8) David Rouse (P-9) Ryan Kemp (P-10) Jeff Lee	Impaired	Paid in full over 120 months from effective date of Plan at 3.25% per annum; payments to be made quarterly, first payment due by end of quarter beginning with the quarter after the quarter which included the effective date of the Plan.
Class 2 - Secured Claim of (S-1) Ford	Unimpaired	Paid according to contract; lien retained.
(S-2) Ford	Unimpaired	Paid according to contract; lien retained.
(S-3) Quad City Bank & Trust	Impaired	Paid over 15 years; <i>Till</i> rate. 3.0% Retain lien. Agreed no guarantor collection activity.
(S-4) IRS	Impaired	(S-4) IRS Secured portion (non-priority) after adjudication/agreement at 100% over 120 months from effective date, with interest at 3.0%, compounding annually. Payments to begin May 1, 2017 or within 30 days of the effective date of the Plan at \$1,309.45 per month for 120 months. IRS has a first priority lien valued at \$135,608.47 in accounts receivable arising after May 30, 2016. Numbers provided by Ellen Willman show, as of December 21, 2016, A/R of \$821,507.11 arising before 5/30/16, and \$207,976.33 of A/R arising after 5/30/16. QCB&T retains first priority lien to the entire pre-5/30/16 amount, while IRS has first priority to \$135,608.47 of the post-5/30/16 amount. (Priority Unsecured Claim): IRS has an unsecured priority claim of \$100,527.64 as shown above in

		paragraph 3.03. “All tax claims owed to the Internal Revenue Service, and entitled to priority under 11 U.S.C. 507(a)(8) [i.e., unsecured priority], shall be paid in full, together with interest at a rate of 4.0% per year beginning on the effective date of the Plan, through 60 equal monthly payments of \$1,848.13, commencing on May 1, 2017 or within 30 days of the effective date of the Plan whichever comes later.
Class 3 - General Unsecured Creditors	Impaired	Paid 50% over 240 months from effective date of Plan at 0% per annum; payments to be made quarterly, first payment due beginning in the 121st month and payable by the end of such quarter.
Class 4 - Subordinated Claims	Impaired	Paid 50% over 240 months from effective date of Plan at 0% per annum; payments to be made quarterly, first payment due beginning 200th month and payable by the end of such quarter.
Class 5 - Equity Security Holders of the Debtor	Unimpaired	Equity security holders retain their interests.

ARTICLE V
ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01 **Disputed Claim.** A disputed claim is a claim that has not been allowed or disallowed by a final, non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.02 **Delay of Distribution on a Disputed Claim.** No distribution will be made on account of a disputed claim unless such claim is allowed [by a final non-appealable order].

5.03 **Settlement of Disputed Claims.** The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01 **Assumed Executory Contracts and Unexpired Leases.**

(a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the date of the entry of the order confirming this Plan.

Name of Other Parties to Lease or Contract	Description of Contract or Lease
Altorfer Inc.	Oral contract - bucket excavator (4/13/16-5/13/16) (order entered)

B25A (Official Form 25A) (12/11) - Cont.

5

Name of Other Parties to Lease or Contract	Description of Contract or Lease
BSI Constructors	Subcontractors on Parker Bldg contract
Central Illinois Carpenters	
Delta Dental	Dental provider
G&K Services	Office rug rental
Genesis Maintenance	D-I-P is on-call subcontractor
Husmann	Walmart tear-out; misc. construction
Integrated Technologies	Sub-structure for tank base frame
International Union of Operating Engineers	Union agreement
Iowa Mutual	Worker's compensation & liability
Iron Worker Mid-American Pension Fund	Union agreement
Katz Nowinski P.C.	Retainer Agreement
Laborers' Local Union No. 309; Local 32; Local 165	Continuing (60 days notice prior to change)
Mark & Ellen Willman	Month to month real estate lease for 1129 W. 3rd St. Davenport, Iowa
Mediacom	Utilities
Midwest Insulation Contractors Assoc. of Eastern IA & Western IL (Local 81)	Continuing (90 days notice of intention to change)
Modern Piping	Misc. work
Modern Piping	Demo locker room
Modern Piping	Bldg boiler room
Operating Plasterers & Cement Masons Local 18 of Central Illinois	Union agreement
Orkin Exterminating	Pest control services
Premier Plaster and Drywall	Construction contract
RK Dixon	Office equipment
Rock Island Integrated Services	Repair boat dock anchors
Ryan & Associates Inc.	Install storm sewer & water main
Ryan & Associates Inc.	Insulate & PVC JKT 3' condensate
Ryan & Associates Inc.	Repair insulation after heat trace and others
Sheriff Kevin W. Turner	Masonry, restoration and window replacement at Jo Daviess Courthouse
Shive Hattery	Masonry restoration and window replacement
Tri-State Construction Services Inc.	Equipment rental
United Fire & Casualty	Bond for new Rock Island Arsenal job. (W52P1J-15-5004)
United Healthcare	Group health insurance
US Oil Bettendorf Terminal	Pipe support asphalt patch
Verizon	Cell phone contract
Dept. of the Army Garrison Contracting Branch	W52P1J-15-5004
Western Structural Steel	Construction contract

(b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan, upon a date not to exceed 60 days after the entry of the order of confirmation. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than 180 days after the date of the order confirming this Plan. Certain rejections are being considered.

(c) Certain rejections are being considered.

(d) The following executory contracts are rejected.

- Central Illinois Carpenters
- Carpenters
- Honcamp & Krueger/Steve Campana

ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN

Willman Construction, Inc. faces substantial and daunting problems. It has a tax lien, union obligations, and a substantial body of unsecured creditors. It is working without a line of credit. However, Willman Construction has substantial contracts ongoing. It is in substantial demand with large contractors in and around the Quad Cities and region. While Willman has oftentimes acted as a general contractor in the past, it has been acting primarily as a subcontractor on most jobs.

As of date of filing, Willman's accounts receivable stood at \$286,000.00. (This figure has been adjusted upwards from the original \$229,000.00.) The work-in-process billed and to be billed now stands at \$3.9 million.

Willman Construction, Inc. is operated by Mark and Ellen Willman. No one else can operate the business. Matthew Willman has assisted, along with the other related entity, Tri-State Construction, Inc. Tri-State has primarily serviced Oscar Mayer/Kraft, but it had expanded after the Carpenters' dispute. It is a non-union shop. Willman is union. Tri-State has now contracted and all new Kraft contracts have been taken over by Willman.

Willman will continue to carefully bid, work with its trusted partners and improve its margin. The cash flows backed revenue down from \$5.0 million to \$4.0 million per annum. A post-confirmation reduction in administrative expenses will greatly assist cash flow. While this Plan is at 50% to unsecured; 100% will cash flow according to CPA and draft cash flows.

Two entities are holding their accounts payable to the Debtor-in-Possession, BSI and Russell Construction in the approximate amounts of \$41,064.00 and \$11,246.00, respectively. Such amounts are being allegedly contractually withheld. Such amount shall be paid into escrow and creditors claiming any amounts from BSI or Russell shall have 60 days to make a claim or the amounts are to be used generally by the Debtor-in-Possession in the ordinary course of business and consistent with this Plan.

ARTICLE VIII GENERAL PROVISIONS

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

8.02 Effective Date of Plan. The effective date of this Plan is the first business day following the date that is thirty-one (31) days after the entry of the order of confirmation. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Iowa govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan. Unless a contract is to be performed in the State of Iowa, in which case the substantive law of the State of Illinois shall apply.

8.07 Corporate Governance. If the Debtor is a corporation include provisions required by § 1123(a)(6) of the Code.

8.08 Default Provisions - IRS. If the reorganized debtor substantially defaults on the plan payments due to the IRS, the outstanding balance is immediately due and payable. Payment shall be for the entire amount owed to the IRS under the plan. The IRS may collect these unpaid tax liabilities through the administrative collection provisions of the Internal Revenue Code.

ARTICLE IX
DISCHARGE

9.01 Discharge. On the confirmation date of this Plan, the debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in § 1141(d)(6)(B).

ARTICLE X
OTHER PROVISIONS

Respectfully submitted,

By: Mark Willman by DGH
Mark Willman
President, Willman Construction, Inc.

By: [Signature]
Dale G. Haake 08124381
Attorney for Willman Construction, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF IOWA

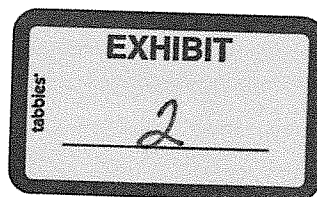
IN RE:)
)
WILLMAN CONSTRUCTION, INC.) Chapter 11
)
Debtor-in-Possession.) Case No. 16-00774

EXHIBIT 2 TO DISCLOSURE STATEMENT

Fair Market Value of Estate's Assets and Lien Analysis at Time of Filing

Property	Listed Values	Liens
Real Estate	\$42,140.00	QCB&T \$440,899.23
Bank Accounts	\$29,663.55	IRS \$254,627.73 & QCB&T \$440,899.23
Machinery & Equipment (excluding Fords)	\$55,075.00	IRS \$254,627.73 & QCB&T \$440,899.23
Ford F250 [VIN ending 1929]	\$71,485.00	Ford Motor Credit \$72,718.47
Ford F250 [VIN ending 2156]	\$68,279.55	Ford Motor Credit \$57745.06
Accounts Receivable	\$229,962.00 adjusted \$286,000.00	IRS \$254,627.73 & QCB&T \$440,899.23
Inventory	\$49,170.00	IRS \$254,627.73 & QCB&T \$440,899.23
Jobs in Process	\$20,000.00 est. (as of petition date)	IRS \$254,627.73 & QCB&T \$440,899.23
Blue Sky/WIP	\$5,000.00 (not listed)	IRS \$254,627.73 & QCB&T \$440,899.23

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CHAPTER 11 MONTHLY OPERATING REPORT - COMPARATIVE BALANCE SHEET

Case No: 16-00774-lmj11

Debtor: Willman Construction, Inc.

	JAN 31, '17	APRIL 15, '16
ASSETS		
<u>CURRENT ASSETS</u>		
CASH	(22,013.39)	5,629.69
ACCOUNTS RECEIVABLE	868,990.55	272,784.13
AR-OFFICER'S EE'S, AFFILIATES		13,221.26
INVENTORY	44,418.01	44,391.30
COSTS IN EXCESS OF BILLINGS	20,574.45	0.00
RETAINAGE RECEIVABLE	60,957.48	76,781.34
TOTAL CURRENT ASSETS	972,927.10	412,807.72
<u>FIXED ASSETS</u>		
LAND	8,610.00	8,610.00
BUILDING	41,949.00	41,949.00
EQUIPMENT	698,171.83	694,913.74
ACCUMULATED DEPR	(609,244.92)	(558,392.92)
TOTAL FIXED ASSETS	139,485.91	187,079.82
OTHER ASSETS	0.00	0.00
TOTAL ASSETS	1,112,413.01	599,887.54
<u>LIABILITIES</u>		
POST PETITION TRADE AP	263,967.11	0.00
AP AFFILIATE/OWNER	0.00	0.00
POST PETITION ACCR PRO FEES	0.00	0.00
POST PETITION TAXES PAYABLE	49,126.89	0.00
POST PETITION GARNISHMENTS	3,446.64	0.00
POST PETITION NOTES PAYABLE	0.00	0.00
SAR/SEP ADMIN	14,557.06	5,253.54
ACCRUED UNION BENEFITS/DUES	5,365.03	0.00
UNRECONCILED/INCORRECT PRIOR PERIOD BALANCES	15,319.11	27,808.08
TOTAL POST PETITION LIABILITIES	351,781.84	33,061.62
<u>PRE PETITION LIABILITIES</u>		
AP AFFILIATE/OWNER	200,560.43	201,602.93
SECURED	628,276.28	735,979.30
PRIORITY	222,938.68	222,938.68
UNSECURED (PRIORITY & NON-PRIORITY)	777,190.96	777,190.96
TOTAL POST PETITION LIABILITIES	1,828,966.35	1,937,711.87
TOTAL LIABILITIES	2,180,748.19	1,970,773.49
<u>OWNER'S EQUITY</u>		
OWNER'S /STOCKHOLDER EQUITY	84,553.72	1,000.00
RETAINED EARNINGS - PREPETITION	(1,371,751.43)	(1,371,751.43)
RETAINED EARNINGS - POST-PETITION	218,862.53	
TOTAL OWNER'S EQUITY	(1,068,335.18)	(1,370,751.43)
TOTAL LIABILITIES AND OWNER'S EQUITY	1,112,413.01	600,022.06



CHAPTER 11 MONTHLY OPERATING REPORT - INCOME STATEMENT

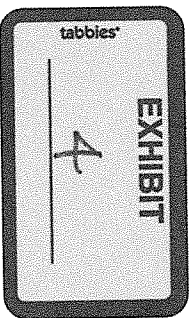
Case No: 16-00774-lmj11

Debtor: Willman Construction, Inc.

	JAN 31, '17	Post Petition To-Date
Revenues		
SALES - CONSTRUCTION	50,126.07	1,060,378.27
SALES - INSULATION	10,603.50	184,507.51
Contract Sales	20,177.90	982,058.41
Miscellaneous Income	0.00	856.97
Total Revenues	86,507.47	2,227,801.16
Cost of Sales		
Materials-Cost of Goods - CONS	10,178.71	300,543.28
Materials-Cost of Goods - INSUL	2,514.36	22,890.66
Materials-Cost of Goods	4,570.03	58,543.67
Production Labor - Wages - CON	19,519.00	128,000.93
Production Labor - Wages - INS	0.00	26,224.82
Production Labor - Wages	0.00	97.50
Prod Labor - WHSE Wages - CON	4,180.00	40,206.00
Prod Labor - PR Taxes - CONS	3,171.81	31,953.62
Prod Labor - PR Taxes - INSUL	0.00	2,800.51
Production Labor-PR Taxes-WHSE	197.28	2,955.72
Prod Labor - Benefits - CONS	13,770.84	79,474.63
Prod Labor - Benefits - INSUL	0.00	14,513.45
Production Lab-BenTaxUnem/WC	3,022.40	29,484.60
Prod Labor - UNEMPL - CONS	0.00	378.82
Prod Labor - UNEMPL - INSUL	0.00	1,143.84
Production Labor-UNEMPL-WHSE	185.63	165.83
Equipment Rental - CONSTRUCT	1,021.12	79,159.93
Equipment Rental-DOWNTIME	496.44	1,075.08
Equipment Fuel - CONSTRUCTION	2,445.82	29,093.95
Equipment Fuel - INSULATION	0.00	100.00
Equipment Fuel	0.00	406.01
Sub-Contract - CONSTRUCTION	0.00	647,575.52
Sub-Contract	0.00	677.28
FREIGHT CHARGES	(75.35)	725.83
Total Cost of Sales	68,178.16	1,588,916.50
Gross Profit	18,729.31	658,882.66
Expenses		
Wages - Officers	7,895.00	59,851.00
Wages - Administrative	3,450.00	27,730.50
Wages-Estimator/Warehouse - CO	7,684.00	64,629.00
Pension Contribution - CONS	163.20	1,545.44
Pension Contribution	284.16	3,602.78
PAYROLL TAXES - ADMIN	1,148.24	11,717.11
PAYROLL UNEMPLOY - ADMIN	727.11	727.11
DIESEL FUEL TAX		49.97
Property Taxes	325.40	2,268.50
Auto Expense	510.70	4,587.84
Auto Expense - ADMIN		28,583.28
Bank & Bankcard Charges	17.02	1,567.66
Building Rent	1,200.00	3,600.00
Depreciation	5,000.00	50,852.60
Dues & Subscriptions - ADMIN		2,430.00
Education & Training - ADMIN		40.00
Insurance - Business		10,425.50
Insurance - Health		23,779.52
Insurance - Health (Owners)	(193.00)	3,341.82
Insurance - Workers Comp	4,871.54	26,723.08
Janitorial Expense		230.00
Legal & Accounting	25,870.55	28,246.98
Licenses & Permits		160.20
Licenses & Permits - Adm	353.40	1,208.80
Medical Expenses		591.00
Medical Expenses - ADMIN	2,082.58	2,082.58
Miscellaneous Expense		5,825.28
Office Supplies	990.55	9,433.39
Penalties & Fines		2,951.95
Repairs & Maint - CONS		144.45
Repairs & Maint	5,324.75	29,577.47
Ruison Removal		140.20
Telephone & Communications	107.45	967.05
Telephone & Communications - A	810.85	5,545.60
Tools & Supplies - ADMIN		1,385.37
Travel - CONSTRUCTION	68.00	88.00
Utilities	185.27	3,347.18
Total Expenses	69,451.89	440,020.13
Net Income	(\$ 50,722.58)	\$ 210,862.53

Owner: Williams Construction Inc.
 (CAPITAL BUDGETING)
 1/1/2017
 Com No: 160724emj11

	2017				2018				2019				2020				Annual										
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr							
Beginning Cash Balance	0	18,454	18,454	18,454	25,776	52,748	79,230	106,629	115,064	149,409	171,155	198,900	208,648	246,374	264,102	291,850	301,958	364,423	451,075	542,795	627,457	718,118	811,879	915,029	1,018,885	1,127,761	
CASH RECEIPTS																											
Capital Contribution (By Owner)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Receipts	202,500	202,500	202,500	202,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000
25% General Contractor Receipts	67,500	67,500	67,500	67,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000
TOTAL CASH RECEIPTS	270,000	270,000	270,000	270,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	3,240,000	3,240,000	3,240,000	3,240,000	3,240,000	3,240,000	3,240,000	3,240,000	3,240,000	
CASH DISBURSEMENTS																											
General Contractor (10%-margin)	60,750	60,750	60,750	60,750	182,250	182,250	182,250	182,250	182,250	182,250	182,250	182,250	182,250	182,250	182,250	182,250	182,250	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	
Time & Material & Labor (70%-margin)	141,750	141,750	141,750	141,750	425,250	425,250	425,250	425,250	425,250	425,250	425,250	425,250	425,250	425,250	425,250	425,250	425,250	1,701,000	1,701,000	1,701,000	1,701,000	1,701,000	1,701,000	1,701,000	1,701,000	1,701,000	
Total Cost of Construction	202,500	202,500	202,500	202,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	607,500	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	
Gross Profit	67,500	67,500	67,500	67,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	202,500	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	
Owner/Manager/PR Fees	7,150	7,150	7,150	7,150	21,450	21,450	21,450	21,450	21,450	21,450	21,450	21,450	21,450	21,450	21,450	21,450	21,450	85,800	85,800	85,800	85,800	85,800	85,800	85,800	85,800		
Supervisor/Manager/PR Fees	10,400	10,400	10,400	10,400	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200	124,800	124,800	124,800	124,800	124,800	124,800	124,800	124,800		
Direct Overhead	4,800	4,800	4,800	4,800	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600		
Real Estate Rent/Leases	11,900	11,900	11,900	11,900	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	35,700	142,800	142,800	142,800	142,800	142,800	142,800	142,800	142,800		
Capital Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
US Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
* Accounts Payable	25,000	0	1,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000		
* Accounts Receivable	0	15,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000		
Total Overhead Expense	60,750	55,000	113,500	142,500	110,750	110,750	110,750	110,750	110,750	110,750	110,750	110,750	110,750	110,750	110,750	110,750	110,750	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000		
Net Income	7,250	12,500	80,000	30,000	91,750	91,750	91,750	91,750	91,750	91,750	91,750	91,750	91,750	91,750	91,750	91,750	91,750	367,200	367,200	367,200	367,200	367,200	367,200	367,200	367,200		
Income Tax (Fed & State - 40%)	(3,625)	(6,250)	(32,000)	(12,000)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(36,875)	(147,240)	(147,240)	(147,240)	(147,240)	(147,240)	(147,240)	(147,240)	(147,240)		
Net Cash Flow From Operations After Tax	4,350	7,250	51,400	18,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000		
Net Cash Flow From Operations After Tax	4,350	7,250	51,400	18,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000		
NET CASH FLOW	18,800	18,800	18,800	18,800	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	237,600	237,600	237,600	237,600	237,600	237,600	237,600	237,600		
Ending Cash Balance	18,800	37,600	56,400	75,200	134,033	192,866	251,699	310,532	369,365	428,198	487,031	545,864	604,697	663,530	722,363	781,196	840,029	1,077,629	1,315,229	1,552,829	1,790,429	2,028,029	2,265,629	2,503,229	2,740,829		
* Requires Court Approval During Confirmation Period																											



Jenn Cook

From: Lisa Willman <lisa.willman@gmail.com>
Sent: Monday, February 20, 2017 3:53 PM
To: Bill Karben; Dale Haake; Jenn Cook
Subject: Fwd: Status of Open Jobs - February 20, 2017

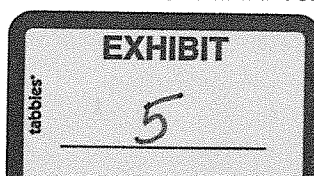
----- Forwarded message -----

From: Lisa Willman <lisa.willman@gmail.com>
Date: Mon, Feb 20, 2017 at 3:27 PM
Subject: Status of Open Jobs - February 20, 2017
To: Mark Willman <mark@willmanconstruction.com>, Ellen Willman <ellen@willmanconstruction.com>

Here are the jobs that I show as currently open (meaning that there is money still available to bill on these jobs). As always, if anyone knows of anything on these that can be billed or sees any changes that need to be made, please let me know. Thanks!

Project Manager - Job Number - Customer Name - Location - Description of Work - PO #/Contact Name - T&M/Bid - Billing Status - Notes

1. Mark - Job #10394 - Honeywell - RIA Bldg. 212 Plating - General Construction - Gary Pomerlau / PO #4408353845 - T&M - Notes: The remaining \$640.00 on this PO will be applied towards job #10500. This job is ready to be billed in full. \$640 to be billed out 2/20/2017.
2. Matt - Job #10403 - Department of the Army, Army Contracting Command - RIA Bldg. 350 Generators - Emergency Generator - PO #W521J-16-C-5004 - Bid (\$3,081,977.00) - Partially Billed (\$2,899,477.00 left on PO) - Notes: Next monthly billing due March 13. There have been discussions of two additional change orders being granted, but have not received them officially yet.
3. Mark - Job #10437 - Kraft - Woodstock Claussen Pickle Factory - Compactor Room Upgrade - Gene Hill / PO #4700391727 / PO #4700391513 - T&M NTE \$138,453.00 - Partially Billed (\$8,130.00 left on PO) - Notes: Only work remaining is to paint exterior. Must wait until ambient air temp remains at 35 degrees or warmer for 48 hours straight.
4. Mark - Job #10444 - Honeywell - RIA Bldg. 212 Plating - Repair Grating - Gary Pomerlau - T&M - Not Billed. Does this need to be cancelled? No activity logged.
5. Mark - Job #10451 - Integrated Technology - RIA Bldg. 212 Plating - Removing duct/fans on Mezzanine/Roof - Glenn Zinkus - PO #7170-103116-4 - T&M NTE (\$7,280.00) - Not Billed. Job complete, but need additional information to bill out.
6. Matt - Job #10458 - Hale Industries - RIA Bldg. 299 East and West Ends - Remove overhead doors, create new openings - Darrell Gray - PO #16-1042 - Bid (\$8,984.00) - Not Billed
7. Matt - Job #10464 - Flint Hills - Flint Hills Buffalo - Supply 2 concrete blocks - Rick Sherman - T&M - Not Billed - Notes: 12/1/16 - Gary delivered the tractor and the blocks, now waiting for Flint Hills to tell us we can come dig hole and set blocks.
8. Mark - Job #10476 - Integrated Technologies - RIA Bldg. 212 Plating - Assisting cleaning/filling tanks - Glenn Zinkus - PO #7170-120116-2 - T&M NTE \$1,460.00 - Not Billed - Notes: Work complete, but need to write up timesheets for dates/hours worked.
9. Matt - Job #10478 - News Channel 8 - News Channel 8 - Parking lot - Troy Hollmer - T&M - Partially Billed - Notes: 12/22/16 - Notes: Billed work completed to date, but per Matt a couple of guys will need to go back later to finish up the job.
10. Matt - Job #10480 - Kraft - Kraft Foods Davenport - Snow Removal '16/'17 Winter - Jeff Rushing - PO #4700425308 - T&M - Partially Billed - Notes: Billed work completed to date, but still possibility of needing additional services before winter ends.
11. Mark - Job #10484 - Integrated Technologies - RIA Bldg. 212 - Misc. Construction Work - PO #7170-121216-1 - T&M NTE \$5,000.00 - Not Billed - Notes: Task Order #1 complete, Mark did the work himself, need to get his hours to submit time sheets.



12. Mark - Job #10486 - Honeywell - RIA Bldg. 212 Mezzanine - Remove duct section, cap 2 ducts - Daniel Talbot - Bid (\$825.00) - Not Billed - Notes: Ready to be billed in full once a PO is received. Mark completed this work himself on 12/23/16. Emailed Dan on 1/10/17 requesting PO number. Emailed Dan again on 2/20/17 requesting PO number.

13. Mark - Job #10500 - Honeywell - RIA Bldg. 212 Roof - Installing plywood / removing ice off of exhaust ducts on roof / supply and install heat tape / seal off 3 roof ducts - Daniel Talbot - T&M - Not Billed - Notes: Sent Dan writeup of this work on 1/10/17 and requested a PO. Once PO is received, this job is ready to be billed in full. Emailed Dan again on 2/20/17 requesting PO number.

14. Mark - Job #10509 - Flint Hills - Shipping Lines - Insulated 6" and 4" Heat Tape Piping - Rick Sherman / PO #TMP77760 - Bid (\$36,240.00) - Partially Billed (\$32,830.00 remaining on PO) - Notes: Sent Dan writeup of this work on 1/10/17 and requested a PO. Emailed Dan again on 2/20/17 requesting PO number. Once PO is received, this job is ready to be billed in full.

15. Mark - Job #10519 - United - K8-4 K7-4 Cooler Floors - Repair Floors - Russ Snyder - PO #246375-99 - T&M - Not Billed - Notes: This job may be complete. Need to check with Jeff Harter to confirm.

16. Matt - Job #10523 - River City Industrial - Genesis Robotics - Cleaning, Painting, Renovations - Bill Bauman - Bid (\$87,2300.00) + T&M \$1,425.00/day for vacuuming - Not Billed

17. Matt - Job #10528 - Genesis Maintenance - Old Navy Davenport - Replace 4 plastic panels - Work Order #77871136 - T&M NTE \$195.00 - Not Billed - Notes: Genesis is ordering the panels. Once they arrive, we will install. Per Matt, the Work Order needs to be re-written because not the correct amount.

18. Mark - Job #10530 - Integrated Technologies - RIA Bldg. 212 - Concrete Pad - Glenn Zinkus - PO #??? - Bid (\$12,635.00) - Not Billed

19. Mark - Job #10531 - United Construction - Kraft K8-2 Blondie 6th Floor - Remove 2 sections of floor, pour back with flexolith - Blair Evans - Bid (\$1,050.00) - Not Billed

20. Mark - Job #10532 - United Construction - Kraft Foods Davenport - Supply Flexolith for various jobs - Blair Evans - T&M - Not Billed - Notes: This is for flexolith ordered on 2/20/17.

21. Matt - Job #10533 - River City Industrial - Comprehensive Logistics (John Deere Foundry by Silvis) - Floor Repairs - Bid (\$3500.00) - Not Billed

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Lisa Willman

Willman Construction, Inc.
1129 West 3rd Street
Davenport, IA 52802

office 563-324-8940
fax 563-324-8960

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Lisa Willman

Filter Criteria includes: 1) Active Jobs. Report order is by ID and is Summarized by Job.

WILLMAN CONSTRUCTION, INC.
 Work In Progress
 As of Jan 31, 2017

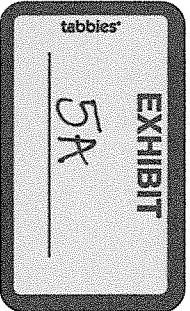
Willman Construction, Inc.

Work-In-Progress (Contract and Time and Material Jobs)
 January 2017

T&M = Time and Material Jobs
 T&M reporting only the current month Exp & Rev

Job ID	Job Description	New	Est Rev	Est Exp	Est Profit	Actual Exp	% Comp-Exp	Earned Rev	Actual Rev	Under/Over	T&M Profit/(Loss)	Notes
A10235	PIPE BOLLARDS, GRASS SEED, ETC	No				688.28			11,835.10		11,146.82	
A10337	INSTALL STORM SEWER/WATER MAIN	No	57,265.00	51,538.50	5,726.50	496.44		551.60			(496.44)	(1)
A10394	REMOVE DUCTWORK, SAWCUT STEEL	No	4,480.00	3,360.00	1,120.00		0.00%				0.00	(2)
A10403	EMERGENCY GENERATOR	No	2,174,401.00	1,900,000.00	274,401.00	107,509.91	5.69%	123,036.66	102,500.00	20,536.66	0.00	
A10437	COMPACTOR ROOM UPGRADE	No									0.00	
A10451	REMOVE DUCT/FANS ON MEZZROOF	No									0.00	
A10458	REMOVE OVERHEADS/FILL OPENS	No									0.00	
A10462	HAWKINS CHEMICAL	No	8,984.00	7,000.00	1,984.00						0.00	
A10464	SUPPLY 2 CONCRETE BLOCKS	No									0.00	
A10467	FLEXOLITH FLOOR/RESET GUARDRAI	No									0.00	
A10469	FLOOR REPAIRS	No									0.00	
A10480	SNOW REMOVAL - '15/16 WINTER	No									0.00	
A10480	REPAIR FLOOR WITH FLEXOLITH	No									0.00	
A10500	ICE REMOVAL/SEAL 3 ROOF DUCTS	No									0.00	
A10505	SET STAINLESS CURB	Yes									(271.24)	
A10507	DUMPER PAD	Yes									1,966.99	(3)
A10508	EPOXY FLOORING IN ELEVATOR	Yes									1,996.25	(3)
A10509	INSULATE 6" & 4" HEAT TAPING	Yes	36,240.00	28,192.00	8,048.00	29.40	0.10%	37.79		37.79	(764.81)	
A10511	REPAIR FALLING INSUL, DOOR GAP	Yes				764.81					(281.93)	
A10514	SQUEEGEE/VACUUM WATER	Yes				281.93					(307.56)	
A10515	REPAIR SCALE RAMP W/ FLEXOLITH	Yes				307.56					(4,123.99)	
A10516	RESTROOM FLOOR REMODEL	Yes				106.52					(106.52)	
A10519	REPAIR FLOORS	Yes				133.15					252.20	(3)
A10520	INSTALL KEMLITE PATCHES WALL	Yes				307.60					406.40	(3)
A10521	REMOVE/REPLACE CEILING CAULK	Yes										
T10207	REGRADE WEST GRAVEL LOT	No	1,660.00	1,245.00	415.00							
T1110	DRAIN K7.4 DOUBLE TIME ADDER	No	2,671.20	2,544.00	127.20							
T1144	SCRAPE AND REPAINT	No	7,393.05	7,041.00	352.05							
T11298	REMOVE MOLDY CAULK AD RECAULK	No	2,360.40	2,248.00	112.40							
T1320	REPAINT BOLLARDS SAFETY YELLOW	No	456.75	435.00	21.75							
T679	REMOVE MOLDY CAULKING	No	3,806.25	3,625.00	181.25							
T687	LAY BRICK FLOOR	No	661.50	630.00	31.50							
T855	CONCRETE FLOOR	No	1,408.05	1,341.00	67.05							
T897	LATAPOXY FLOOR	No	2,118.90	2,018.00	100.90							
T978	BRICK FLOOR WITH FONDU	No	853.65	813.00	40.65							
T980	REPLACE BRICK & GROUT W/ FONDU	No	5,051.00	4,810.00	241.00							
	LATAPOXY HOLES & BRICK JOINTS	No	2,129.40	2,028.00	101.40							
Report Total			2,311,940.15	2,018,868.50	293,071.65	119,299.48		123,626.05	123,411.30	20,574.45	9,151.13	

- (1) Contract job that turned into a T&M Job
- (2) Not to exceed job
- (3) Open PO's with Kraft



UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF IOWA

IN RE:)
)
WILLMAN CONSTRUCTION, INC.) Chapter 11
)
Debtor-in-Possession.) Case No. 16-00774

EXHIBIT 6 TO DISCLOSURE STATEMENT

LIQUIDATION ANALYSIS

Description:

Schedule A/B (Real Property)	\$42,140.00	
Schedule A/B (Personal Property)	\$503,635.10	
Total Property Value:		\$545,775.10
Less Secured Claims:		
Internal Revenue Service	\$228,808.24	
Quad City Bank & Trust	\$440,000.00	
Less Estimated Ch. 7 Admin Expenses	\$6,964.00	
Total Deductions		\$675,772.24
Available to General Unsecured		(\$129,997.14)

Details: (Estimated amounts)

Undersecured from Schedule D	\$15,403.34
Unsecured from Schedule E	\$190,000.00
Unsecured from Schedule F (unfiled, allowed)	\$157,170.49
Unsecured Claims Filed (net of Schedule E)	\$700,000.00

Estimated Ch. 7 Admin. Expenses:	
11 §326 Trustee Comp on \$42,140.00	\$4,964.00
Add'l Trustee Cost as 0% of §326 Fee	\$0.00
Additional Admin Expense/Atty's Fees	\$15,000.00
Accountant Fees	\$7,500.00

Total Estimated Admin Expense \$27,464.00

Plan Benefit – pay out above 50% to 100%; with ongoing value work in process \$3.5 million plus.

