

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

In re:  AMRIT FREIGHT TRANSPORT, INC.,  Debtor.	CASE NO. 17-05924-RLM-11
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**UNITED STATES TRUSTEE'S OBJECTION TO DISCLSURE STATEMENT**

Nancy J. Gargula, United States Trustee (the "United States Trustee"), by Harrison E. Strauss, Trial Attorney, hereby objects to the disclosure statement filed by Debtor Amrit Freight Transport, Inc. and in support of her objection states and alleges as follows:

1. Amrit Freight Transport, Inc. ("Debtor") filed a petition for relief under Chapter 11 of the United States Bankruptcy Code on August 08, 2017.
2. On November 30, 2017, the Debtor filed a proposed Disclosure Statement, Docket No. 112.
3. This Court set a hearing on the Disclosure Statement for January 04, 2018.
4. Pursuant to 11 U.S.C. § 1125, the Disclosure Statement must contain adequate information of a kind and in sufficient detail to enable a hypothetical investor, who is typical of holders of claims or interests of the relevant class, to make an informed judgment about the plan.
5. In the section of the Disclosure Statement addressing Class 5: Secured Claims of BMO Harris Bank, N.A. the Debtor discloses that it intends

to buy or lease 2 trucks and 5 trailers (“BMO-Singh Collateral”) from the Debtor’s principal and president, Jatinder Singh (“President Singh”). The BMO-Singh Collateral acts as security for notes held by BMO Harris Bank, N.A. (“BMO”) in the name of President Singh.

6. The Disclosure Statement goes on to state:

“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 \$256,000.00 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.”

7. This description and explanation of the proposed lease or purchase of the BMO-Singh Collateral by the Debtor from its principal and president does not provide adequate information required by 11 U.S.C. § 1125. Specifically, a detailed explanation of how the Debtor arrived at the purchase price of \$265,000.00 is needed so that a hypothetical investor could determine the reasonableness of the lease or sale, especially when the sale or lease benefits an insider. Further, whether it is a sale or a lease must be known to make an informed judgment about the plan. At the end of a lease the property would revert back to President Singh rather than be owned by the Debtor as it would under a purchase agreement, yet the proposed purchase price plus interest and total lease payments are the virtually the same. Lastly, the amount owed by President Singh to BMO on the note(s) which are secured by the BMO-Singh Collateral is not disclosed, but is necessary information to make an informed judgment about the plan because the BMO-Singh Collateral is less valuable to the Debtor if BMO’s lien is not paid in full by the proposed purchase price.

WHEREFORE, Nancy J. Gargula, United States Trustee, prays for an order of this Court rejecting the Disclosure Statement or, in the alternative,

requiring the Debtor to file an amended Disclosure Statement which contains the necessary information described above.

Respectfully submitted,

NANCY J. GARGULA  
UNITED STATES TRUSTEE

By: /s/ Harrison E. Strauss  
Harrison E. Strauss  
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**CERTIFICATE OF SERVICE**

I hereby certify that on Friday, December 29, 2017, a copy of the foregoing Objection to Disclosure Statement was filed electronically. Notice of this filing will be sent to the following party/parties through the Court's Electronic Case Filing System. Party/parties may access this filing through the Court's system.

John Joseph Allman on behalf of Debtor Amrit Freight Transport, Inc.  
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I further certify that on December 29, 2017, a copy of the foregoing  
Objection to Disclosure Statement was mailed by first-class U.S. Mail, postage  
prepaid and properly addressed, to the following:

Amrit Freight Transport, Inc.  
7118 Hendrickson Lane  
Indianapolis, IN 46237

/s/ Harrison E. Strauss  
Harrison E. Strauss, Trial Attorney