UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF LOUISIANA

IN RE:

HECK INDUSTRIES, INC.	**CASE NO. 16-10516**
DEBTORS	**CHAPTER 11**

IN RE:

HECK ENTERPRISES, INC.	**CASE NO. 16-10514**
DEBTORS	**CHAPTER 11**

FIRST AMENDED DISCLOSURE STATEMENT FOR DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE AS OF OCTOBER 31, 2016

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE CHAPTER 11 PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THERE WILL BE A HEARING ON THIS DISCLOSURE STATEMENT TO DETERMINE IF IT PROVIDES ADEQUATE INFORMATION. IF THE DISCLOSURE STATEMENT IS APPROVED BY THE BANKRUPTCY COURT, THERE WILL BE A SUBSEQUENT HEARING TO CONSIDER CONFIRMATION OF THE PLAN. ALL CREDITORS AND EQUITY INTEREST HOLDERS WILL BE NOTIFIED OF THE DATE OF SUCH CONFIRMATION HEARING.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

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INTRODUCTION

Heck Enterprises, Inc. ("Enterprises") and Heck Industries, Inc. ("Industries") (collectively, the "Debtors"), are both Louisiana corporations. Established in 1957 and purchased in 1959 by Wallace E. Heck, Sr., Industries was formerly known as Altex Ready-Mixed Concrete Corporation ("Altex") and is a concrete business which operates primarily in Louisiana (though Industries maintains a batch plant in Mississippi as well). Enterprises was created in 1986 as a holding company for numerous companies, including Industries, which is the sole remaining company owned by Enterprises. This First Amended Disclosure Statement ("Disclosure Statement") was prepared by the Debtors for use in soliciting acceptances from all creditors of the Debtors' First Amended Joint Plan of Reorganization ("Plan"). The amendments made in this First Amended Disclosure Statement reflect certain revisions in the treatment of Class 1, 2, and 7 Allowed Claims in the Debtors' First Amended Joint Plan resulting from additional negotiations and mediation efforts subsequent to the filing of the Debtors' original Plan and Disclosure Statement on October 26, 2016.

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtors' background and financial condition have been prepared from information furnished by the Debtors in their Schedules and Statement of Affairs, the Debtors' Monthly Operating Reports and other pleadings filed by the Debtors, creditors, or other parties in interest in these bankruptcy proceedings. All exhibits to the Disclosure Statement are incorporated into and made a part of the Disclosure Statement.

In the event of a conflict or difference between the definitions used and provisions contained in this Disclosure Statement and the Plan, the definitions and provisions contained in the Uniform Glossary of Defined Terms for Plan, Disclosure Statement and Plan Documents shall control.

I. PURPOSE AND SUMMARY OF THE PLAN

THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. HOLDERS OF CLAIMS AND INTERESTS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW AND ANALYZE THE PLAN IN ITS ENTIRETY.

II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

A. TREATMENT OF CLAIMS AND INTERESTS

The Plan proposes to make the following distributions from cash on hand and revenue received from ongoing business operations. On the later of (i) the Effective Date or (ii) the date on which an Administrative Expense Claim becomes Allowed, the Reorganized Debtors shall either (a) pay to each Holder of an Allowed Administrative Expense Claim, in Cash, the full amount of such Allowed Administrative Expense Claim, or (b) satisfy and discharge such Administrative Expense Claim in accordance with such other terms that the Reorganized Debtors and such Holder shall have agreed upon in writing; *provided, however,* that such agreed-upon treatment shall not be more favorable than the treatment provided in subsection (a). Except to the extent that a holder of an Allowed Priority Tax Claim agrees to different treatment, each holder of an Allowed Priority Tax Claim shall receive, in the discretion of the Debtors, (a) Cash in an amount equal to such Allowed Claim within ten (10) Business Days after the later of (1) the Effective Date or (2) the Allowance Date with respect to such Allowed Claim; or (b) deferred Cash payments

over a period not exceeding five (5) years after the Petition Date in an aggregate principal amount equal to the Allowed amount of such Priority Tax Claim (with any interest to which the holder of such Claim may be entitled as calculated in accordance with Section 511 of the Bankruptcy Code), in equal annual installments with the first payment to be due within ten (10) Business Days after the later of (1) the Effective Date or (2) the Allowance Date with respect to such Allowed Claim and subsequent payments to be due on each anniversary of the Effective Date; provided, however, that all Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as they become due.

The Holder of the Class 1 Claim shall be paid $600,000 of the BP Claim proceeds on or as soon after the Effective Date as practical but in no event later than ten (10) days after its occurrence. Investar has been paid $127,600 from the sale of the 5 trucks involved in the Mansura/Moreauville Plant sale and Investar also has been paid $450,000 from the sale of a condominium mortgaged to Investar owned by Wallace E. Heck, Jr. personally. After the aforesaid payments were applied to principal and once the additional $600,000 payment from the BP Claim proceeds is applied to principal, the remaining principal balance due Investar will be approximately $1,537,983.39, plus attorney's fees which Investar and the Debtors have agreed to cap at $200,000. Following the receipt and crediting of the above amounts, the principal balance of the indebtedness owed to Investar will be divided into two promissory notes plus a third note documenting the obligation to pay Investar its attorney's fees (the "Attorney Fee Note"). The Debtor will maintain the monthly payment of all accrued interest due to Investar up to and including the Effective Date of this Plan which payments are due under those certain orders entered within the Heck Industries, Inc.'s case, including the Consent Order Authorizing Interim Use of Cash Collateral and Granting Related Relief [Doc. 52], the Amended Consent Order Authorizing Continued Interim Use of Cash

Collateral, Granting Related Relief [Doc. 202], the Order Extending Term of Consent Order Authorizing Continued Interim Use of Cash Collateral and Granting Related Relief [Doc. 347] and such other Orders and agreements affecting the Debtors' obligations to Investar.

The $1,537,983.39 balance will be split into two new promissory notes, one for $837,983.39 ("the Adams Avenue Plant Note") to be primarily secured by the Adams Avenue Property Plant as defined herein and another for $700,000.00 ("the Truck Note"). As more particularly described in the Adams Avenue Plant Note Option, Buzzi shall have a right of first refusal to purchase the Adams Avenue Plant Note and acquire the first liens securing the same on the Adams Avenue Property Plant in the event of any default by the Debtors which provokes Investar to seek to accelerate the balance due of the Adams Avenue Plant Note and to enforce its security interests. The Adams Avenue Plant Note shall be repaid in monthly installments (interest only payments from December through February of each calendar year) over 7 years at a 5% interest rate with payments commencing on or before thirty (30) days after the occurrence of the Effective Date and continuing on the same day of each calendar month thereafter. The monthly payment on the Adams Avenue Property Plant Note for the months of March through November will be $15,151.00, with interest only being paid for the months of December through February.

The $700,000.00 Truck Note shall be primarily secured by a first Lien on all titled rolling stock owned by the Debtors the title of which is currently subject to a Lien in favor of Investar. The Truck Note and the Adams Avenue Plant Note shall also be secured by a second Lien on Accounts Receivable as backup collateral. The Truck Note shall be repaid in monthly installments (interest only payments from December through February of each calendar year) over 5 years at a 5.99% interest rate with payments commencing on or before thirty (30) days after the occurrence

of the Effective Date and continuing on the same day of each calendar month thereafter. The monthly payment on the Truck Note for the months of March through November will be $17,410.00, with interest only being paid for the months of December through February. If and as trucks serving as collateral for this loan are sold, Investar will receive a portion of the sale price calculated based upon the orderly liquidation values for each sold truck that are contained in the February 18, 2016, Revpro appraisal (the "Revpro Appraisal"). The balance of the sales price for each truck over and above the orderly liquidation value shall be retained by the Debtors to use as down payments to purchase new trucks as replacement vehicles. In recognition of the reduction of the principal balance of the Truck Note following payments of the Truck Note and specifically conditioned upon the timely payment by the Debtors for each monthly installment due on the Truck Note, the early release price of each truck shall be reduced in accordance with the following schedule: from the Effective Date of the Plan until November 30, 2017, the release price is the orderly liquidation value as contained in the Revpro Appraisal; from December 1, 2017 until November 30, 2018, the release price shall be eighty-five percent (85%) of the orderly liquidation value contained in the Revpro Appraisal; from December 1, 2018 until November 30, 2019, the release price shall be sixty-five percent (65%) of the orderly liquidation value contained in the Revpro Appraisal; from December 1, 2019 until November 30, 2020, the release price shall be forty-five percent (45%) of the orderly liquidation value contained in the Revpro Appraisal; and, from December 1, 2020 until the Truck Note is paid in full, the release price shall be twenty-five percent (25%) of the orderly liquidation value contained in the Revpro Appraisal.

Investar also shall retain the personal guaranty of Wallace E. Heck, Jr. but shall refrain from instituting collection activity against Wallace E. Heck, Jr. so long as payments are being

made per Plan by the Debtors and shall release the guaranty once all indebtedness owed to Investar has been satisfied in full in accordance with this Plan.

Investar will cap its attorney's fees at $200,000 which will be documented by the Attorney Fee Note to be repaid by the Debtors in equal monthly installments over sixty (60) months at 0% interest with the first payment due on or before thirty (30) days after the occurrence of the Effective Date. As set forth above, Investar shall retain a first Lien on the Adams Avenue Plant to primarily secure the Adams Avenue Plant Note, a first Lien on all titled rolling stock owned by the Debtors the title of whichis currently subject to a Lien in favor of Investar to secure the Truck Note and a second Lien on Accounts Receivable to Secure all notes. Investar and Buzzi shall execute an Intercreditor Agreement between them to provide for the priority of the relative security interests as provided herein. Buzzi shall also be granted the Adams Avenue Plant Note Purchase Option by Investar.

The Holder of the Class 3 Claim has been paid $150,000.00 from the sale the Mansura/Moreauville Plant sale by the Debtors which payment was applied as a principal reduction on the Buzzi Note. The remaining balance of the Buzzi Note shall be amortized over seven years at the current interest rate specified in the Buzzi Note. Heck Industries, Inc. shall continue to purchase cement from Buzzi per the current Supply Agreement in place between the parties for seven years and/or so long as the Buzzi Note is due and owing. The Debtor shall only be required to pay interest only on the Buzzi note to during the months of December through February. The current and future open account debt due by the Debtors to Buzzi for cement purchased from Buzzi shall continue to be due and payable per the current agreement in place pursuant to that certain Consent Order [Doc. 104], the Amended Consent Order Authorizing Continued Interim Use of Cash Collateral, Granting Related Relief [Doc. 202], the Order

Extending Term of Consent Order Authorizing Continued Interim Use of Cash Collateral and Granting Related Relief [Doc. 347] and such other Orders and agreements affecting Buzzi's right to payment of its Claims. The Debtors shall continue to pay its invoices from Buzzi as required during this case and will be responsible for all of Buzzi's reasonable, actual attorney's fees capped at $200,000 which such payment of attorneys' fees shall be paid out without interest in equal monthly installments over the remaining term of the Buzzi Note. The Buyers Credit Application and Open Account Agreement between the Parties shall control unless it is inconsistent with the terms herein. Until the Effective Date, Debtors shall continue to make payments to Buzzi as required under Amended Consent Order Authorizing Continued Interim Use of Cash Collateral, Granting Related Relief [Doc. 202], the Order Extending Term of Consent Order Authorizing Continued Interim Use of Cash Collateral and Granting Related Relief [Doc. 347]. Following the Effective Date, Buzzi and the Debtor shall endeavor to execute all documents necessary and requested by Buzzi to document the treatment of Buzzi's secured claim.

The Note and the current and any future open account balance due by the Debtors to Buzzi shall be secured by a first Lien on all Accounts Receivable, Inventory, Equipment including all after acquired property and the proceeds thereof including the Plants (except for the Adams Avenue Property Plant as to which Buzzi shall have a second Lien position), and all Accounts Receivable. In addition, Buzzi shall retain its Lien on the Horse Farm owned by Heck Yea Quarter Horse, LLC and its personal guaranty of Wallace E. Heck, Jr. but shall refrain from instituting collection activity against Wallace E. Heck, Jr. so long as payments are being made in accordance with this Plan by the Debtors. Buzzi shall release the guaranty once all indebtedness owed by the Debtors has been satisfied in full including all claims arising between the Parties whether under the Plan or otherwise. The current and future open account debt due by the Debtors to Buzzi for

cement purchased from Buzzi shall continue to be due and payable per the current agreement in place. The Debtors shall continue to pay its invoices from Buzzi as required during this case and will be responsible for all of Buzzi's attorney's fees. All collateral of Buzzi shall continue to secure all indebtedness under the Plan and any other indebtedness owed by the Debtors to Buzzi. The Buyers Credit Application and Open Account Agreement between the Parties shall control unless it is inconsistent with the terms set forth in this Plan. In recognition of its claim and the priority of its security interest in the Collateral described herein, at its sole discretion, Buzzi shall maintain its current UCC-1 Financing Statements subject to Investar's first priority lien in the Adams Avenue Property Plant, which Buzzi shall acknowledge as being a first lien, provided, however, Buzzi shall maintain a second lien position on the Adams Avenue Property Plant. Investar and Buzzi shall execute an Intercreditor Agreement between them to provide for the priority of the relative security interests as provided herein and Buzzi's rights under the Adams Avenue Plant Note Purchase Option. Buzzi shall also be granted the Adams Avenue Plant Note Purchase Option.

The Holders of the Class 3 and Class 4 Claims shall receive the regular monthly payments due to each under the pre-petition agreements and loan documents on the next regular monthly payment date following the Effective Date.

Each Holder of a Class 5 Allowed General Unsecured Claim shall have the right to choose to have such General Unsecured Claim satisfied under one of two options to be selected by such Holder on the ballot it casts to accept or reject this Plan within the deadline set by the Bankruptcy Court for voting on the Plan. If no selection is made, such Holder shall be deemed to have selected Option 1 below (Acceptance of 58% of the Allowed amount of such Claim in full and final satisfaction of the Allowed Claim).

Option 1. Acceptance of one-time cash payment equal to Fifty Eight Percent (58%) of Allowed Amount of General Unsecured Claim. *This is the default Option if no timely selection of Option 2 below is made by the Holder of a General Unsecured Claim.* On or as soon after the Effective Date as practical but in no event later than ten (10) days after its occurrence ("the Initial Payout Date"), Holders of Allowed Class 5 Claims choosing Option 1 (whether affirmatively or by default) shall receive a one-time cash payment to be distributed by counsel for the Debtors equal to fifty eight (58%) percent of the Allowed Amount of such General Unsecured Claim *in full and final satisfaction of such General Unsecured Claim*. Upon the tender of such cash payment to such Holder, any remaining balance due by the Debtors to such Holder for such Allowed General Unsecured Claim shall be deemed fully paid, satisfied and discharged. The Holder of a General Unsecured Claim selecting Option 1 (whether affirmatively or by default) which has not been Allowed as of the Initial Payout Date, shall be entitled to receive the one-time cash payment as provided under Option 1 on or before ten (10) days after such claim is finally Allowed.

Option 2. Full Payment of Allowed Amount of General Unsecured Claim in Deferred Payments. *Option 2 must be timely, affirmatively selected by the Holder of a General Unsecured Claim.* The Holders of Allowed General Unsecured Claims that timely, affirmatively exercise Option 2 ("Option 2 Claimants") will be satisfied pursuant to the terms of unsecured notes in the form of a Note ("the Unsecured Note") attached as Exhibit "A" to the Plan, which will be issued on or as soon after the Effective Date as practical but in no event later than ten (10) days after its occurrence. Generally, those terms are: (i) an Unsecured Note will be issued to each qualifying Option 2 Holder of an Allowed General Unsecured Claim for the full principal amount of such Holder's Allowed General Unsecured Claim; and (ii) the principal shall be payable in equal quarterly installments of principal and interest accruing from the Effective Date until paid at a rate

of four (4%) per cent per annum until paid in twenty-eight (28) quarterly installments, with the first such installment being due and payable on or before March 31, 2017, and subsequent quarterly installments being due and payable on the last business day of June, September, and December of that year and on the same days each year thereafter until the Unsecured Note has been paid in full. The Debtors reserve the right to prepay any and all amounts due to the Holders of Allowed General Unsecured Claims selecting Option 2. Any Option 2 Claimant owed more than $50,000 on its Unsecured Note as of January 1 of each calendar year following Confirmation shall have the right to request in writing a copy of the Debtors' financial statements for the previous calendar year as same are prepared and presented to the Holder of the Class 1 Claim. Any Option 2 Claimant making such request and receiving a copy of such financial statements shall be deemed to have agreed to maintain the confidentiality of such financial statements and not to disseminate them, copies of them, or the information contained with them to third parties except for the purpose of collection of amounts due to such Option 2 Claimant under the Unsecured Note.

The Holder of the Class 6 Claim shall be paid according to the terms set forth in the Stipulation [Doc. 113] previously entered into and approved by the Court [Doc. 261].

In the event, and only in the event, the following are true: (a) all Unclassified Claims, other than those Priority Tax Claims as to which the Debtors have elected to pay in deferred payments, have been paid in full, (b) all Allowed General Unsecured Claims electing Option 1, have been paid the full 58% of each such Allowed Claim provided by this Plan; and (c) no subsequent uncured defaults in payments to be made pursuant to this Plan have occurred and exist with respect to the Class 1 or 2 Claims or on the Unsecured Notes tendered to Class 5 Claimants electing Option 2; and, except to the extent that a Holder of an Allowed Class 7 Claim agrees to a less favorable treatment, the Debtor may make payments to holders of an Allowed Class 7 Claim pursuant to the

prepetition contractual terms as limited by the terms more fully set forth in this section. All of the conditions (a) through (c) are necessary for any payment to be made to the Holder of an Allowed Class 7 Claim. Payments to a Holder of an Allowed Class 7 Claim relating to non-lease obligations and payments to a Holder of an Allowed Class 7 Claim relating to the pre-petition lease obligations may only be made quarterly, over the same term and in the same months as payments to Option 2 Claimants and *after* payments due to Option 2 Claimants for that quarter have been made, and if there are no Option 2 Claimants, quarterly on a calendar quarter basis. Payments to a Holder or an Allowed Class 7 Claim relating to lease obligations for post-petition rent may be made prospectively only (again, conditioned upon the fulfillment of conditions (a) through (c)), it being understood that such leases are oral, month-to-month leases that are subject to review and change in payment in accordance with market rates in the future. Notwithstanding the foregoing, Wallace E. Heck, Jr. shall not increase the rental payments due to him without the approval of the holders of Class 1 and Class 2 Claims and, if more than $200,000 in the aggregate remains due and owing to Option 2 Claimants, those holders as well. Further, the Debtor shall not agree to any increase in any rental amount due to any other holder of a Class 7 Claim or other insiders that is not reasonable and in accordance with market rates for the location of such propertyAlthough the Holders of Class 8 Equity Interests shall retain those interests after confirmation, no distributions may be made to the Holders of such Equity Interests by virtue of same unless the following conditions have been met: (a) all Unclassified Claims, other than those Priority Tax Claims as to which the Debtors have elected to pay in deferred payments, have been paid in full, (b) all Allowed General Unsecured Claims electing Option 1, have been paid the full 58% of each such Allowed Claim provided by this Plan; and *provided further* that (c) no subsequent uncured defaults in payments to be made pursuant to this Plan have occurred and exist with respect to the Class 1 or 2 Claims or on the

Unsecured Notes tendered to Option 2 Claimants in Class 5. Provided such conditions are satisfied, distributions or dividends may be made to Class 8 interests by the Debtors from available funds solely for the purpose of paying federal and state income tax liabilities ("Tax Liabilities") resulting from (x) sales of assets of the Debtors during the pendency of these cases, (y) the collection of the BP Claim Proceeds that are being made available to the Debtors in order to partially fund this Plan, and (z) future profits of the Debtors or sales of assets by the Debtors.

B. CLAIMS AND INTERESTS UNDER THE PLAN

The following is a summary of the classification and treatment of Claims and Interests under the Plan:

CLASS	TREATMENT
Unclassified: Allowed Administrative Expense Claims. An estimation of the approximately $479,900.00 owed collectively to Steffes, Vingiello & McKenzie, LLC ($220,000.00), Gordon, Arata, McCollam, Duplantis & Eagan, LLC ($200,000.00[1]), Faulk & Winkler, LLC ($25,000.00), Kaster & Cop, LLC ($8,000.00), and Apple Guerin Company, LLC ($10,000.00) for professional services rendered; and, to the Office of the U.S. Trustee for quarterly fees incurred for the fourth quarter of 2016 and first quarter of 2017, through closure of the case ($16,900.00).	On the later of (i) the Effective Date or (ii) the date on which an Administrative Expense Claim becomes Allowed, the Reorganized Debtors shall either (a) pay to each Holder of an Allowed Administrative Expense Claim, in Cash, the full amount of such Allowed Administrative Expense Claim, or (b) satisfy and discharge such Administrative Expense Claim in accordance with such other terms that the Reorganized Debtors and such Holder shall have agreed upon in writing; p*rovided, however,* that such agreed-upon treatment shall not be more favorable than the treatment provided in clause (a). Requests for payment of Administrative Expense Claims and hearing notices related thereto shall be filed and properly served in accordance with the local rules of the Bankruptcy Court no later than thirty (30) days after the Effective Date. Such requests shall include at a minimum (a) the name of the Holder of the Administrative Expense Claim, (b) the amount of the Administrative Expense Claim, and (c) the basis for the Administrative Expense Claim. Failure to file and serve such requests and related notice(s) timely and properly shall result in the Administrative Expense Claim being forever barred and discharged. All professionals or other entities requesting compensation or reimbursement of expenses under sections 327, 328, 330, 331, 333, 503(b), 506 and 1103 of the Bankruptcy Code for services rendered before the Effective Date (including any compensation requested by any professional for any other entity for making a substantial contribution in the Reorganization Case) shall File and serve on the Reorganized Debtors an application for final allowance

[1] Counsel for the Debtor has not been able to verify the amount estimated for counsel for the Committee.

Unimpaired. Not entitled to vote.	of compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date. Holders of Administrative Expense Claims based on unpaid and undisputed amounts due by the Debtors in Possession for goods and services provided to it after the Petition Date and before the Effective Date arising in the ordinary course of the Debtors' business shall not be required to file any request for payment of such Claims but each shall be deemed to be an Allowed Administrative Expense Claim in the undisputed amount recognized by the Debtors in Possession. Such deemed Allowed Administrative Expense Claims shall be paid in the ordinary course of business by the Reorganized Debtors without any further action by the Holders of such Claims. Estimated percentage recovery: 100%
Unclassified: Allowed Priority Tax Claims. The total estimate of Allowed Priority Claims is approximately $191,116.74, which includes the following sales tax Claims: Ascension Parish ($3,524.31), Avoyelles Parish ($4,782.43), City of Baton Rouge ($78,742.06), Iberville Parish ($1,155.43), Livingston Parish ($14,815.01), East Feliciana Parish ($4,001.18), Pointe Coupee Parish ($6,254.94), Rapides Parish ($375.05), and the La. Department of Revenue ($77,466.33). Unimpaired. Not entitled to vote.	Claims have priority under Section 507(a)(4) and Section 507(a)(8) and are unclassified as required under Section 1123(a)(1). Although these Claims are impaired as defined in Section 1124, all Claims having priority under Section 507(a)(8) are treated in accordance with Section 1129(a)(9)(C). All Allowed Priority Tax Claims shall be paid, at the Debtors' discretion, (a) Cash in an amount equal to such Allowed Claim within ten (10) Business Days after the later of (1) the Effective Date or (2) the Allowance Date with respect to such Allowed Claim; or, (b) shall receive deferred Cash payments over a period not exceeding five (5) years after the Petition Date in an aggregate principal amount equal to the Allowed amount of such Priority Tax Claim (with any interest to which the holder of such Claim may be entitled calculated in accordance with Section 511 of the Bankruptcy Code), in equal annual installments with the first payment to be due within ten (10) Business Days after the later of (1) the Effective Date or (2) the Allowance Date with respect to such Allowed Claim and subsequent payments to be due on each anniversary of the Effective Date. Estimated percentage recovery: 100%

Class 1: Secured Claim of Investar Bank. The total estimate of the Allowed Class 1 Claim is approximately $1,537,938.39, plus interest and reasonable fees (capped at $200,000), costs or charges provided for under the agreements, and allowed under 11 U.S.C. §506(b).	The Holder of the Class 1 Claim shall be paid $600,000 of the BP Claim proceeds on or as soon after the Effective Date as practical but in no event later than ten (10) days after its occurrence. Investar has been paid $127,600 from the sale of the 5 trucks involved in the Mansura/Moreauville Plant sale and Investar also has been paid $450,000 from the sale of a condominium mortgaged to Investar owned by Wallace E. Heck, Jr. personally. After the aforesaid payments were applied to principal and once the additional $600,000 payment from the BP Claim proceeds is applied to principal, the remaining principal balance due Investar will be approximately $1,537,983.39, plus attorney's fees which Investar and the Debtors have agreed to cap at $200,000. Following the receipt and crediting of the above amounts, the principal balance of the indebtedness owed to Investar will be divided into two promissory notes plus a third note documenting the obligation to pay Investar its attorney's fees (the "Attorney Fee Note"). The Debtor will maintain the monthly payment of all accrued interest due to Investar up to and including the Effective Date of this Plan which payments are due under those certain orders entered within the Heck Industries, Inc.'s case, including the Consent Order Authorizing Interim Use of Cash Collateral and Granting Related Relief [Doc. 52], the Amended Consent Order Authorizing Continued Interim Use of Cash Collateral, Granting Related Relief [Doc. 202], the Order Extending Term of Consent Order Authorizing Continued Interim Use of Cash Collateral and Granting Related Relief [Doc. 347] and such other Orders and agreements affecting the Debtors' obligations to Investar. The $1,537,983.39 balance will be split into two new promissory notes, one for $837,983.39 ("the Adams Avenue Plant Note") to be primarily secured by the Adams Avenue Property Plant as defined herein and another for $700,000.00 ("the Truck Note"). As more particularly described in the Adams Avenue Plant Note Option, Buzzi shall have a right of first refusal to purchase the Adams Avenue Plant Note and acquire the first liens securing the same on the Adams Avenue Property Plant in the event of any default by the Debtors which provokes Investar to seek to accelerate the balance due of the Adams Avenue Plant Note and to enforce its security interests. The Adams Avenue Plant Note shall be repaid in monthly installments (interest only payments from December through February of each calendar year) over 7 years at a 5% interest rate with payments commencing on or before thirty (30) days after the occurrence of the Effective Date and continuing on the same day of each calendar month thereafter. The monthly payment on the Adams Avenue Property Plant Note for the months of March through November will be $15,151.00, with interest only being paid for the months of December through February. The $700,000.00 Truck Note shall be primarily secured by a first Lien on all titled rolling stock owned by the Debtors the title of which is currently subject to a Lien in favor of Investar. The Truck Note and the Adams Avenue Plant Note shall also be secured by a second Lien on Accounts Receivable as backup collateral. The Truck Note shall be repaid in monthly installments (interest only payments from December through February of each calendar year) over 5 years at a 5.99% interest rate with payments commencing on or before thirty (30) days after the occurrence of the Effective Date and continuing on the same day of each calendar month thereafter. The monthly payment on the Truck Note for the months of March through November will be $17,410.00, with interest only being paid for the months of December through February. If and as trucks serving as collateral for this loan are sold, Investar will receive a portion of the sale price calculated based upon the orderly liquidation values

	for each sold truck that are contained in the February 18, 2016, Revpro appraisal (the "Revpro Appraisal"). The balance of the sales price for each truck over and above the orderly liquidation value shall be retained by the Debtors to use as down payments to purchase new trucks as replacement vehicles. In recognition of the reduction of the principal balance of the Truck Note following payments of the Truck Note and specifically conditioned upon the timely payment by the Debtors for each monthly installment due on the Truck Note, the early release price of each truck shall be reduced in accordance with the following schedule: from the Effective Date of the Plan until November 30, 2017, the release price is the orderly liquidation value as contained in the Revpro Appraisal; from December 1, 2017 until November 30, 2018, the release price shall be eighty-five percent (85%) of the orderly liquidation value contained in the Revpro Appraisal; from December 1, 2018 until November 30, 2019, the release price shall be sixty-five percent (65%) of the orderly liquidation value contained in the Revpro Appraisal; from December 1, 2019 until November 30, 2020, the release price shall be forty-five percent (45%) of the orderly liquidation value contained in the Revpro Appraisal; and, from December 1, 2020 until the Truck Note is paid in full, the release price shall be twenty-five percent (25%) of the orderly liquidation value contained in the Revpro Appraisal. Investar also shall retain the personal guaranty of Wallace E. Heck, Jr. but shall refrain from instituting collection activity against Wallace E. Heck, Jr. so long as payments are being made per Plan by the Debtors and shall release the guaranty once all indebtedness owed to Investar has been satisfied in full in accordance with this Plan. Investar will cap its attorney's fees at $200,000 which will be documented by the Attorney Fee Note to be repaid by the Debtors in equal monthly installments over sixty (60) months at 0% interest with the first payment due on or before thirty (30) days after the occurrence of the Effective Date. As set forth above, Investar shall retain a first Lien on the Adams Avenue Plant to primarily secure the Adams Avenue Plant Note, a first Lien on all titled rolling stock owned by the Debtors the title of which is currently subject to a Lien in favor of Investar to secure the Truck Note and a second Lien on Accounts Receivable to Secure all notes. Investar and Buzzi shall execute an Intercreditor Agreement between them to provide for the priority of the relative security interests as provided herein. Buzzi shall also be granted the Adams Avenue Plant Note Purchase Option by Investar.

Impaired. Entitled to vote.	Estimated percentage recovery: 100%
Class 2: Secured Claim of Buzzi Unicem USA. The total estimate of the Allowed Class 2 Claim is approximately $1,332,403.00, plus interest and reasonable fees (capped at $200,000), costs or charges provided for under the agreement, and allowed under 11 U.S.C. §506(b).	The Holder of the Class 3 Claim has been paid $150,000.00 from the sale the Mansura/Moreauville Plant sale by the Debtors which payment was applied as a principal reduction on the Buzzi Note. The remaining balance of the Buzzi Note shall be amortized over seven years at the current interest rate specified in the Buzzi Note. Heck Industries, Inc. shall continue to purchase cement from Buzzi per the current Supply Agreement in place between the parties for seven years and/or so long as the Buzzi Note is due and owing. The Debtor shall only be required to pay interest only on the Buzzi note to during the months of December through February. The current and future open account debt due by the Debtors to Buzzi for cement purchased from Buzzi shall continue to be due and payable per the current agreement in place pursuant to that certain Consent Order [Doc. 104], the Amended Consent Order Authorizing Continued Interim Use of Cash Collateral, Granting Related Relief [Doc. 202], the Order Extending Term of Consent Order Authorizing Continued Interim Use of Cash Collateral and Granting Related Relief [Doc. 347] and such other Orders and agreements affecting Buzzi's right to payment of its Claims. The Debtors shall continue to pay its invoices from Buzzi as required during this case and will be responsible for all of Buzzi's reasonable, actual attorney's fees capped at $200,000 which such payment of attorneys' fees shall be paid out without interest in equal monthly installments over the remaining term of the Buzzi Note. The Buyers Credit Application and Open Account Agreement between the Parties shall control unless it is inconsistent with the terms herein. Until the Effective Date, Debtors shall continue to make payments to Buzzi as required under Amended Consent Order Authorizing Continued Interim Use of Cash Collateral, Granting Related Relief [Doc. 202], the Order Extending Term of Consent Order Authorizing Continued Interim Use of Cash Collateral and Granting Related Relief [Doc. 347]. Following the Effective Date, Buzzi and the Debtor shall endeavor to execute all documents necessary and requested by Buzzi to document the treatment of Buzzi's secured claim. The Note and the current and any future open account balance due by the Debtors to Buzzi shall be secured by a first Lien on all Accounts Receivable, Inventory, Equipment including all after acquired property and the proceeds thereof including the Plants (except for the Adams Avenue Property Plant as to which Buzzi shall have a second Lien position), and all Accounts Receivable. In addition, Buzzi shall retain its Lien on the Horse Farm owned by Heck Yea Quarter Horse, LLC and its personal guaranty of Wallace E. Heck, Jr. but shall refrain from instituting collection activity against Wallace E. Heck, Jr. so long as payments are being made in accordance with this Plan by the Debtors. Buzzi shall release the guaranty once all indebtedness owed by the Debtors has been satisfied in full including all claims arising between the Parties whether under the Plan or otherwise. The current and future open account debt due by the Debtors to Buzzi for cement purchased from Buzzi shall continue to be due and payable per the current agreement in place. The

Impaired. Entitled to vote.	Debtors shall continue to pay its invoices from Buzzi as required during this case and will be responsible for all of Buzzi's attorney's fees. All collateral of Buzzi shall continue to secure all indebtedness under the Plan and any other indebtedness owed by the Debtors to Buzzi. The Buyers Credit Application and Open Account Agreement between the Parties shall control unless it is inconsistent with the terms set forth in this Plan. In recognition of its claim and the priority of its security interest in the Collateral described herein, at its sole discretion, Buzzi shall maintain its current UCC-1 Financing Statements subject to Investar's first priority lien in the Adams Avenue Property Plant, which Buzzi shall acknowledge as being a first lien, provided, however, Buzzi shall maintain a second lien position on the Adams Avenue Property Plant. Investar and Buzzi shall execute an Intercreditor Agreement between them to provide for the priority of the relative security interests as provided herein and Buzzi's rights under the Adams Avenue Plant Note Purchase Option. Buzzi shall also be granted the Adams Avenue Plant Note Purchase Option. Estimated percentage recovery: 100%
Class 3: Secured Claim of Mack Financial Services. The total estimate of the Allowed Class 3 Claims is $516,426.00, plus interest and reasonable fees, costs or charges provided for under the agreement, and allowed under 11 U.S.C. §506(b). Impaired. Entitled to Vote.	The holder of the class 3 Claim shall receive the regular contractual monthly payments due to it under the pre-petition agreements and loan documents ("the Mack Loan Documents"), with the first payment being made on the next regular monthly payment date under the Mack Loan Documents that occurs after the Effective Date and subsequent regular monthly payment shall be due on the same of each calendar month thereafter. All arrearages due to Mack, whether pre-petition or post-petition together with any unpaid interest, late charges and reasonable, actual attorney fees (as fixed by the Bankruptcy Court or by agreement between Mack and the Debtors) shall be paid in full in additional regular monthly installments in the amount specified in the Mack Loan Documents on the same day of each calendar month after the original maturity date as fixed by the Mack Loan Documents. Estimated percentage recovery: 100%
Class 4: Secured Claim of Caterpillar Financial Services Corporation. The total estimate of the Allowed Class 4 Claims is $246,338.00, plus interest and reasonable fees, costs or charges provided for under the	The holder of the class 3 Claim shall receive the regular contractual monthly payments due to it under the pre-petition agreements and loan documents ("the Caterpillar Loan Documents"), with the first payment being made on the next regular monthly payment date under the Caterpillar Loan Documents that occurs after the Effective Date and subsequent regular monthly payment shall be due on the same of each calendar month thereafter. All arrearages due to Caterpillar, whether pre-petition or post-petition together with any unpaid interest, late charges and reasonable, actual attorney fees (as fixed by the Bankruptcy Court or by agreement between Mack and the Debtors) shall be

agreement, and allowed under 11 U.S.C. §506(b). Impaired. Entitled to Vote.	paid in full in additional regular monthly installments in the amount specified in the Caterpillar Loan Documents on the same day of each calendar month after the original maturity date as fixed by the Caterpillar Loan Documents. Estimated percentage recovery: 100%
Class 5: General Unsecured Claims. The total estimate of the Allowed Class 5 Claims is $1,364,265.52.	Each Holder of an Allowed General Unsecured Claim shall have the right to choose to have such General Unsecured Claim satisfied under one of two options to be selected by such Holder on the ballot it casts to accept or reject this Plan within the deadline set by the Bankruptcy Court for voting on the Plan. If no selection is made, such Holder shall be deemed to have selected Option 1 below. **Option 1**. Acceptance of one-time cash payment equal to Fifty Eight Percent (58%) of Allowed Amount of General Unsecured Claim. This is the default Option if no timely selection of Option 2 below is made by the Holder of a General Unsecured Claim. On or as soon after the Effective Date as practical but in no event later than ten (10) days after its occurrence ("the Initial Payout Date"), Holders of Allowed Class 5 Claims choosing Option 1 (whether affirmatively or by default) shall receive a one-time cash payment to be distributed by counsel for the Debtors equal to fifty-eight (58%) percent of the Allowed Amount of such General Unsecured Claim in full and final satisfaction of such General Unsecured Claim. Upon the tender of such cash payment to such Holder, any remaining balance due by the Debtors to such Holder for such Allowed General Unsecured Claim shall be deemed fully paid, satisfied and discharged. The Holder of a General Unsecured Claim selecting Option 1 (whether affirmatively or by default) which has not been Allowed as of the Initial Payout Date, shall be entitled to receive the one-time cash payment as provided under Option 1 on or before ten (10) days after such claim is finally Allowed. **Option 2**. Full Payment of Allowed Amount of General Unsecured Claim in Deferred Payments. Option 2 must be timely, affirmatively selected by the Holder of a General Unsecured Claim. The Holders of Allowed General Unsecured Claims that timely, affirmatively exercise Option 2 ("Option 2 Claimants") will be satisfied pursuant to the terms of unsecured notes in the form of Note ("the Unsecured Note") attached as Exhibit "A" to the Plan, which will be issued on or as soon after the Effective Date as practical but in no event later than ten (10) days after its occurrence. Generally, those terms are: (i) An Unsecured Note will be issued to each qualifying Option 2 Holder of an Allowed General Unsecured Claim for the full principal amount of such Holder's Allowed General Unsecured Claim. The principal shall be payable in equal quarterly installments of principal and interest accruing from the Effective Date until paid at a rate of four (4%) per cent per annum until paid in twenty-eight (28) quarterly installments, with the first such installment being due and payable on or before March 31, 2017, and subsequent quarterly installments being due and payable on the last business day of June, September, and December of that year and on the same days each year thereafter until the Unsecured Note has been paid in full. The Debtors reserve the right to prepay any and all amounts due to the Holders of Allowed General Unsecured Claims selecting Option 2. Any Option 2 Claimant owed more than $50,000 on its Unsecured Note as of January 1 of each calendar year

Impaired. Entitled to vote.	following Confirmation shall have the right to request in writing a copy of the Debtors' financial statements for the previous calendar year as same are prepared and presented to the Holder of the Class 1 Claim. Any Option 2 Claimant making such request and receiving a copy of such financial statements shall be deemed to have agreed to maintain the confidentiality of such financial statements and not to disseminate them, copies of them, or the information contained with them to third parties except for the purpose of collection of amounts due to such Option 2 Claimant under the Unsecured Note. Estimated percentage recovery: 58% if Option 1 is chosen; 100% if Option 2 is chosen.
Class 6: The Gray Insurance Company and BancorpSouth Insurance Services ("BIS") D/B/A Wright & Percy Claim. The total estimate of the Class 6 Claim is $134,000.00. Not impaired. Deemed to Accept Plan.	The Holder of the Class 6 Claim shall be paid according to the terms set forth in the Stipulation [Doc. 113] previously entered into and approved by the Court [Doc. 261]. Estimated Percentage Recovery: 100%
Class 7: Insider Claims. The total estimate of the Class 7 Claims is $272,787.54.	In the event, and only in the event, the following are true: (a) all Unclassified Claims, other than those Priority Tax Claims as to which the Debtors have elected to pay in deferred payments, have been paid in full, (b) all Allowed General Unsecured Claims electing Option 1, have been paid the full 58% of each such Allowed Claim provided by this Plan; and (c) no subsequent uncured defaults in payments to be made pursuant to this Plan have occurred and exist with respect to the Class 1 or 2 Claims or on the Unsecured Notes tendered to Class 5 Claimants electing Option 2; and, except to the extent that a Holder of an Allowed Class 7 Claim agrees to a less favorable treatment, the Debtor may make payments to holders of an Allowed Class 7 Claim pursuant to the prepetition contractual terms as limited by the terms more fully set forth in this section. All of the conditions (a) through (c) are necessary for any payment to be made to the Holder of an Allowed Class 7 Claim. Payments to a Holder of an Allowed Class 7 Claim relating to non-lease obligations and payments to a Holder of an Allowed Class 7 Claim relating to the pre-petition lease obligations may only be made quarterly, over the same term and in the same months as payments to Option 2 Claimants and *after* payments due to Option 2 Claimants for that quarter have been made, and if there are no Option 2 Claimants, quarterly on a calendar quarter basis. Payments to a Holder or an Allowed Class 7 Claim relating to lease obligations for post-petition rent may be made prospectively only (again, conditioned upon the fulfillment of conditions (a) through (c)), it being understood that such leases are oral,

Impaired. Entitled to vote.	month-to-month leases that are subject to review and change in payment in accordance with market rates in the future. Notwithstanding the foregoing, Wallace E. Heck, Jr. shall not increase the rental payments due to him without the approval of the holders of Class 1 and Class 2 Claims and, if more than $200,000 in the aggregate remains due and owing to Option 2 Claimants, those holders as well. Further, the Debtor shall not agree to any increase in any rental amount due to any other holder of a Class 7 Claim or other insiders that is not reasonable and in accordance with market rates for the location of such property Estimated percentage recovery: 100%
Class 8: Equity Interests. Impaired. Entitled to vote.	Although the Holders of Equity Interests shall retain those interests after confirmation, no distributions may be made to the Holders of such Equity Interests by virtue of same unless the following conditions have been met: (a) all Unclassified Claims, other than those Priority Tax Claims as to which the Debtors have elected to pay in deferred payments, have been paid in full, (b) all Allowed General Unsecured Claims electing Option 1, have been paid the full 58% of each such Allowed Claim provided by this Plan; and *provided further* that (c) no subsequent uncured defaults in payments to be made pursuant to this Plan have occurred and exist with respect to the Class 1 or 2 Claims or on the Unsecured Notes tendered to Option 2 Claimants in Class 5. Provided such conditions are satisfied, distributions or dividends may be made to Class 8 interests by the Debtors from available funds solely for the purpose of paying federal and state income tax liabilities ("Tax Liabilities") resulting from (x) sales of assets of the Debtors during the pendency of this case, (y) the collection of the BP Claim Proceeds that are being made available to the Debtors in order to partially fund this Plan, and (z) future profits of the Debtors or sales of assets by the Debtors.

The Claims and Claim Amounts listed above are amounts estimated by the Debtors as of the filing of this Disclosure Statement and all such Claims are still being reviewed by the Debtors. A listing of Claims or any amounts with respect thereto above or elsewhere in this Disclosure Statement shall not constitute, or be deemed to constitute, allowance of such Claims and all such Claims and amounts are subject, and will remain subject, to challenge and objection by the Debtors and the Reorganized Debtors prior to voting on the Plan and at any time thereafter as provided in the Plan.

III. GENERAL OVERVIEW AND BACKGROUND INFORMATION

A. BACKGROUND AND GENERAL INFORMATION

1. Overview and Background of the Debtors

Enterprises was incorporated in 1986 and formed as a holding company for a number of family businesses owned by Wallace E. Heck, Jr. ("Mr. Heck") and/or his relatives. The only entity it currently owns is Industries, of which it is a 100% owner. Enterprises is managed by its President and Chief Executive Officer ("CEO"), Mr. Heck. Other than acting as a payroll conduit for Industries prior to the chapter 11 filing, Enterprises has never had any active operations or derived any revenue from business operations.

Industries, formerly known as Altex Ready Mix, is a Louisiana corporation established in 1957 that was purchased by Wallace E. Heck, Sr. and Roland Stevens, Sr. in 1959. It is one of the largest concrete suppliers in southeast Louisiana and Mississippi and operates out of nine (9) locations[2] with approximately 80 employees. Industries is managed by its President and CEO, Mr. Heck.

[2] There is a sale pending and awaiting court approval on October 3, 2016 for two of Industries' locations: Moreauville and Mansura. *See* Doc. 276.

2. Debtors' Corporate Structure

As previously discussed, both Industries and Enterprises are managed by Mr. Heck, who serves as President and CEO of each.

B. THE DEBTORS' MANAGEMENT

Both Enterprises and Industries are managed by Mr. Heck, though he only received compensation from Industries.

1. Director, Officer Compensation

Mr. Heck is compensated in the amount of $2,000.00 gross monthly by Industries. It also pays to Mr. Heck a car allowance in the amount of $1,200.00 monthly and is responsible for the payment of his life insurance premium in the amount of $15.65 monthly and his cellular telephone expense. As is discussed in more detail below, Mr. Heck is responsible for the day-to-day operations of the companies and oversees all intraoffice management. Mr. Heck also personally owns the property in New Roads, Louisiana, Zachary, Louisiana, and Centreville, Mississippi on which some of Industries' batch plants are located and receives $12,750.00 gross monthly as renatl payments for those oral leases. Mr. Heck also receives $1,250.00 gross monthly in rent from Industries for the oral leases of its stone yard in Baton Rouge, Louisiana (which is also owned by Mr. Heck personally).

2. Insider Compensation

Enterprises does not employ any insiders. Industries employs five (5) insiders[3], the amount of compensation and detail concerning the duties and responsibilities of each are described below.

Jason Lyngaas

Jason Lyngaas ("Mr. Lyngaas") has been an employee of the Debtor for over twenty (20) years. He oversees and supervises the scheduling, directing and the movement of all concrete trucks and is responsible for quality control ("QC"). As QC manager, he is responsible for the reading of specifications, the design and make-up of concrete mixes and approving them after they have been tested. He is responsible for on the job supervision and handles the preparation of some jobs which require bids to be made on the proposed projects. Because of the number of years he has been employed and his experience in the industry, Mr. Lyngaas is extremely familiar with the operations of the Debtor and its customers and is instrumental in soliciting new jobs for the Debtor based on his list of customer contacts. Mr. Lyngaas is the only QC manager of the Debtor and oversees five (5) other employees. There is no other employee of the Debtor who is responsible for such a supervisory role.

Mr. Lyngaas is compensated at a rate of $6,016.00 monthly. His annual compensation is $72,192.00 gross which amounts to $1,388.31 weekly; an amount which is considerably low for a 60 hour work week and an employee with a managerial/supervising position. Further, he supervises a non-insider employee who is compensated at a *higher* rate.

Orrin Fontenot

[3] Industries previously employed another insider, Janet Heck, but ceased her compensation in June of 2016. *See* order entered July 6, 2016 [Doc. 241].

Orrin Fontenot ("Mr. Fontenot") manages and oversees the batch plants located in new Roads, Louisiana, and Zachary, Louisiana. He is responsible for the bidding, selling and servicing of all jobs in those areas. His management duties include material inventory, communications with operations personnel, and the maintenance on all concrete trucks at those locations. In addition, Mr. Fontenot is the supervisor of two (2) batch operators, two (2) loader operators and multiple concrete truck drivers. There is no other employee of the Debtor who is responsible for the management and duties associated therewith of the New Roads, Louisiana, and Zachary, Louisiana batch plants.

Mr. Fontenot is compensated at a rate of $4,000.00 gross monthly, which includes a monthly car allowance of $1,000.00. Mr. Fontenot receives a salary approximately $1,000.00 less than batch plant managers at other locations. With annual salary for services of $36,000.00, Mr. Fontenot receives approximately $11.53 gross per hour in pay for a *minimum* 60 hour work week, an amount which can hardly be deemed unreasonable for the services he provides. In fact, as of December 1, 2016, his compensation will have to be increased or he will have to be paid overtime in order to avoid running afoul of revised Fair Labor Standards Act ("FLSA") regulations.

Wallace E. "Tripp" Heck, III

Wallace E. Heck, III ("Mr. Tripp Heck") is the operations manager for the Baton Rouge market. In that regard, Mr. Tripp Heck is responsible for all plant maintenance at the Baton Rouge batch plants, as well as all maintenance of all equipment at those plants. He also provides all grounds work to the Baton Rouge area plants and supervises seven (7) batch operators at the Baton Rouge plants.

Mr. Tripp Heck is compensated at a rate of $4,000.00 gross monthly, which includes a monthly car allowance of $1,000.00. Like Mr. Fontenot, Mr. Tripp Heck receives a salary

approximately $1,000.00 less than the batch operators he supervises. Again, with an annual salary for services of $36,000.00, Mr. Tripp Heck makes little more than minimum wage for a *minimum* 60 hour work week, an amount which can hardly be deemed unreasonable for the services he provides. As is the case with Mr. Fontenot, Mr. Tripp Heck's compensation will have to be increased by December 1st or his hours must be cut to no more than 40 per week.

Wallace E. Heck, Jr.

Wallace E. Heck, Jr. ("Mr. Heck") is the president of both Debtors and has been an employee of Industries, f/ka Altex, since 1967. Mr. Heck oversees all facets of Industries operations and manages all employees. He manages the day to day operations of Industries and makes all final decisions concerning the operations of Industries, both financial and business decisions. Mr. Heck regularly works 12 hour days, six (6) days per week.

Mr. Heck is compensated at a rate of $2,000.00 gross monthly for the services he provides.

Cristy Heck

Cristy Heck ("Mrs. Heck") is the office manager and handles all human resource matters and billing. She is responsible for the billing for all operations at all plants, handles all accounts receivable matters and works closely with other professionals hired by Industries to handle lien claims and collection. Mrs. Heck also supervise the accounts payable and the in-house accountant who handles same and is ultimately responsible for approval of the accounts payable. Her duties as office manager include the supervision of four (4) clerical staff.

Mrs. Heck is compensated at a rate of $9,500.00 gross monthly, which includes a $1,000.00 car allowance. Like Mr. Heck, Mrs. Heck typically works 12 hour days, six (6) days per week.

In addition to the compensation received by the above-referenced employees, Industries also pays to MPH Properties, LLC ("MPH"), an entity owned by relatives of Mr. Heck, the amount

of $2,600.00 gross monthly for the rent due for Industries' lab and office building in Baton Rouge, Louisiana. Industries also pays to Continental Enterprises, Inc., an entity owned by relatives of Mr. Heck, gross monthly rent of $2,000.00 for a batch plant located in Baton Rouge, Louisiana. Finally, Industries pays McHeck, LLC ("McHeck"), an entity owned by relatives of Mr. Heck, $1,000.00 gross monthly for the lease of a batch plant located in Livingston, Louisiana. All leases between the Debtor and MPH, the Debtor and Continental Enterprises, Inc. and the Debtor and McHeck are oral and month to month.

3. Employee Compensation

Industries employs 23 salaried and 44 hourly employees, all of which are employed on a full-time basis. Enterprises has no employees.

C. THE DEBTORS' COMBINED DEBT STRUCTURE

Since there are only two direct creditors of Enterprises, Investar Bank and Bancorpsouth Insurance Services/The Gray Insurance Company, and Industries is also liable for the same debts in the same amounts to each, the following is a combined list of the debts of the two debtors.

Secured Claim of Investar Bank[4] - $1,537,938.39, plus interest at the contractual rate and reasonable fees, costs or charges provided for under the agreement and which may be allowed under 11 U.S.C. §506(b) as of October 26, 2016.

Claim of BancorpSouth Insurance Services/The Gray Insurance Company - $134,000

<u>INDUSTRIES</u>

Priority Tax Claims – $191,116.74

[4] This claim is identical to the claim owed by Industries to Investar. This balance includes the $127,600 paid to Investar following the sale of the Mansura Plant and truck sand the $450,000 paid to it from the sale of a personally owned condominium.

Secured Claims – collectively $3,633,105.39, plus interest at the contractual rate and reasonable fees, costs or charges provided for under the agreement and which may be allowed under 11 U.S.C. §506(b):

(1) Buzzi Unicem USA ("Buzzi") – $1,332,403.00[5]

(2) Investar Bank – $1,537,938.39[6]

(3) Caterpillar Financial Services – $246,338.00

(4) Mack Financial - $516,426.00

General Unsecured Claims - $ 1,364,265.52 (according to proofs of claims as filed and amounts as scheduled).

D. EVENTS LEADING TO THE CHAPTER 11 CASE

Industries is one of the largest suppliers of concrete in southeast Louisiana and Mississippi and has been in business for almost 60 years. In recent years, Industries has been financially stressed from time to time due to the seasonal nature of the business, aging of its fleet of cement trucks, and demands made by Whitney Bank ("Whitney")[7] to pay off or refinance loans for which

[5] The Debtor has made significant reductions to the principal owed to Buzzi since the filing of the case. As evidenced by Proof of Claim Number 17 filed July 12, 2016, Industries owed Buzzi $1,483,318.00 as of the Petition Date.

[6] The Debtor has made significant reductions to the principal owed to Investar since the filing of the case. As evidenced by Proof of Claim Number 7-1 filed July 12, 2016 and amended on September 22, 2016, Industries and Enterprises owed Investar $3,179,978.38 as of the Petition Date. The debt was further reduced by the sales of various equipment since the case was filed, payment of $127,600.00 from the sale of certain assets of the Debtor approved by the Court [Doc. 355] and $450,000.00 from the sale of a condominium owned personally by Wallace E. Heck, Jr.

[7] Whitney is the predecessor to Investar.

it was allegedly liable[8]. Industries had been largely successful in resolving various demands of large creditors from 2013 through April, 2016, despite having gone through a period of horrible cash flows primarily caused by the unprecedented rainfall that began in the south Louisiana in late 2015 and which has actually continued through the end of August, 2016, climaxing with the so-called "1000 year floods" in Baton Rouge and surrounding areas in mid-August. However, in April of 2016, Industries and Enterprises[9] were notified by BancCorpSouth Insurance Services, Inc. ("BIS") that due to the non-payment of premiums owed, the insurance would be cancelled on April 30, 2016 at 12:01 a.m. As Industries did not have sufficient cash to pay BIS the full amount due and would have to cease operations if insurance was cancelled, Industries and Enterprises reluctantly commenced voluntary Chapter 11 cases on April 29, 2016, after intense negotiations with BIS failed to achieve an amicable resolution. The filing of Chapter 11 had been avoided by Industries for years due to the anticipated damage that it would cause with customers, suppliers, equipment financing sources and commercial lenders. Thereafter, the insurance coverage issues with BIS were resolved amicably during the first month or so of the Chapter 11 cases.

Industries is currently operating profitably and has a positive cash flow. Attached to this Disclosure Statement as Exhibit 1 is a cash-flow pro forma for the period of January 2017 through January 2024 ("Financial Forecast") prepared by Industries and evidencing the ability of it to

[8] As of April, 2013, the aggregate principal balance of various loans with Whitney Bank for which Enterprises, and/or Industries were alleged to be liable based upon cross-collateralization, cross-default, and commercial guaranty provisions was $4,805,654, which consisted of seven different loans.

[9] Enterprises is the named insured and Industries is listed on the companies that are insured under the policies.

generate sufficient cash flow to fund the proposed payments under the Plan[10]. The revenue projections used in the Financial Forecast reflect the aggregate amount of revenue received from all sources.

1. Historical Financial Information

As required by Local Rule 3016-1, a copy of the balance sheets and profit and loss statements covering the year ending December 31, 2015, the year ending April 30, 2016 and the months of May 2016 – September 2016 are attached hereto *in globo* as Exhibit 2[11].

E. SIGNIFICANT POST-PETITION EVENTS

As should be noted, the filing of both Industries and Enterprises was sudden and unexpected. As a result, a number of issues arose after the filings which complicated various matters in the cases and resulted in longer and more intense litigation than the Debtors' expected.

Shortly after the commencement of the Debtors' cases, the Debtors' and BIS were able to resolve the past due insurance premium issues that predicated the filing of the cases. However, other issues arose during the time the Debtor and BIS resolved their dispute which have led to a number of adversary proceedings being filed in the cases which required resolution.

First, Buzzi alleged it held a security interest in certain assets of Industries, including all

[10] A financial forecast for Enterprises has not been prepared as it does not have any sources of revenue and does not operate.

[11] Due to the volume of the monthly financial statements, which exceed 500 pages, year ending summaries are attached. The Debtors got a new accounting system in May of 2016; thus, the year to date 2015 financials and the year to date financials ending April 30, 2016 are from its prior accounting system (and why they are year to date rather than monthly as the new system is able to generate). Anyone who wishes to receive all of the individual monthly financial statements may do so by contacting counsel for the Debtor.

accounts receivable, inventory, and equipment owned by Industries by virtue of an alleged security agreement executed by an employee of Industries in September 2009, of which Mr. Heck had no knowledge until 2013. Investar also has a security interest in the same assets of Industries, and those of Enterprises, in addition to mortgages on certain property owned by Industries, and certain assets owned by Mr. Heck, personally. The resolution of the security interest and ranking of each sparked an adversary proceeding challenging the security interest by Investar against Buzzi and Industries, and by the Official Committee of Unsecured Creditors ("UCC") appointed in the Industries bankruptcy.

Secondly, an issue arose as to the ownership of the BP Claim and whether that claim is subject to a security interest claimed by Investar. Mr. Heck, as president of Industries, executed an attorney fee contract with Dodson, Hooks & Frederick ("Dodson") and four other attorneys and/or firms (collectively, "Attorneys") to assist it with the assertion and eventual collection of a claim against British Petroleum ("BP") relating to the Deepwater Horizon oil rig explosion and leak on April 20, 2010 (the "BP Claim"). On June 16, 2016, an eligibility notice was received by Dodson indicating Industries had a claim of $1,720,034.89 ("BP Proceeds"). On July 27, 2016, Enterprises received a check for the BP Proceeds. As a result of the claim being paid to Enterprises the schedules of both Industries and Enterprises were amended to reflect Enterprises owned the claim as it was the entity to whom the proceeds were made payable. Following the amendments, disputes among the various constituents of the Debtors' arose which required resolution prior to the formulation of any Plan.

Industries is currently operating[12], and expects to continue to operate, at a positive cash flow. Industries has sold various aged cement trucks and also sold a plant In Gonzales, Louisiana, which have assisted with its cash flow and reduced its operational expenses. The Debtor also sold its Mansura and Moreauville, Louisiana batch plants and certain related equipment and rolling stock to further reduce its operational expenses and reduce the amounts owed to Buzzi and Investar. The Debtors, Investar, Buzzi, the Committee of Unsecured Creditors and other interested parties attending a mediation on September 30, 2016, and all of the issues relating to the BP Proceeds and security interest were resolved resulting in the ability to formulate a plan based on the terms of the mediation settlement.

Numerous orders were entered in the early stages of the Industries proceeding requiring Industries to make certain monthly payments to BIS and its secured creditors thereby reducing the amounts owed to those entities. Industries has made, all will continue to make, those payments. The Debtors are current on all payments owed to the various taxing authorities and have filed all required monthly operating reports.

1. Continuation of Business; Automatic Stay.

The Bankruptcy Court has certain supervisory powers over the Debtors' operations during the pendency of the Chapter 11 Case, including the power to approve any transactions that are outside the ordinary course of the Debtors' business. An immediate effect of the filing of a bankruptcy case is the imposition of the automatic stay under the Bankruptcy Code which, with

[12] Although the Debtor suffered a loss in August of 2016, that loss was attributable to the "1000 Year Flood" in Baton Rouge, Louisiana and its immediate surroundings. As a result the significant devastation, the Debtor was unable to work for almost two weeks as it has very few employees who were not flooded out of their homes and it was unable to get to various jobsites.

limited exceptions, enjoins any action to obtain possession of property of the estate or exercise control over property of the estate. This injunction will remain in effect until the Effective Date unless modified or lifted by order of the Bankruptcy Court.

The Debtors' Chapter 11 cases have benefited the Debtors' creditors. The automatic stay has given the Debtor a breathing spell, allowing the Debtors to maintain its ongoing tax and trade creditor obligations.

The financial outlook for Industries is positive as evidenced by the financial projections attached as Exhibit 1.

2. First Day Pleadings

Following the filing of the petition, Enterprises filed, among other pleadings, the following "first day pleadings" with the Bankruptcy Court:

a. Application to Employ Counsel [P-1];

b. Amended Application to Employ Counsel [P-2];

c. Ex Parte Motion for Extension of Time Within Which to File Schedules and Statement of Financial Affairs [P-15]; and,

d. Motion for Sanctions for Violation of the Automatic Stay and Motion to Enforce Automatic Stay [P-25][13].

In the two weeks immediately following the filing of the petition, Industries filed, among other pleadings, the following "first day pleadings" with the Bankruptcy Court:

a. Application to Employ Counsel for Debtor [P-5];

[13] This matter was resolved per Stipulation [P-38].

b. Emergency Ex Parte Motion for Interim Order: (A) Determining Adequate Assurance of Payment for Debtor's Utility Services, (B) Restraining Utilities From Altering, Discontinuing or Refusing the Debtor Service and (C) Scheduling a Final Hearing on the Interim Relief Sought Herein [P-7];

c. Emergency Motion for an Order Authorizing the Debtor to Use Cash Collateral and Scheduling a Final Hearing [P-9];

d. Motion for Authority to Pay Employees' Pre-Petition Wages and Benefits [P-11];

e. Motion for an Order Authorizing the Debtor to Pay Prepetition Claims of Certain Critical Vendors in the Ordinary Course of Business [P-13];

f. Motion of the Debtor for an Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [P-17];

g. Ex Parte Motion for Extension of Time Within Which to File Schedules and Statement of Financial Affairs [P-25];

h. Ex Parte Motion to Approve Payments to Insiders [P-35];

i. Amended Motion for an Order Authorizing the Debtor to Pay Prepetition Claims of Certain Critical Vendors in the Ordinary Course of Business [P-37];

j. Motion for Order Approving Sale Pursuant to Sections 363(B) and 363(F) of the Bankruptcy Code [P-42];

k. Motion for Order Approving Truck Sale Pursuant to Section 363(b) and 363 (f) of the Bankruptcy Code [P-46];

l. Motion to Limit Notice [P-56];

m. Motion for Sanctions for Violation of the Automatic Stay and Motion to Enforce Automatic Stay [P-61][14];

n. Stipulation and Order by and between Entergy Louisiana, LLC and Debtor-in-Possession Concerning Adequate Assurance of Payment for Post-Petition Electric Services Pursuant to 11 U.S.C. §366 [P-77];

o. Amended Motion for Order Approving Sale Pursuant to Sections 363(B) and 363(F) of the Bankruptcy Code [P-83]; and,

p. Amended Motion for Order Approving Truck Sale Pursuant to Section 363(b) and 363 (f) of the Bankruptcy Code [P-84].

3. Compliance with Bankruptcy Code, Bankruptcy Rules, Local Court Rules, and U.S. Trustee Deadlines.

On May 26, 2016, Enterprises filed its Statement of Financial Affairs, Schedules of Assets and Liabilities, and Schedules of Executory Contracts and Unexpired Leases [P-42], as amended by P-59.

Industries filed its Statement of Financial Affairs, Schedules of Assets and Liabilities, and Schedules of Executory Contracts and Unexpired Leases on May 27, 2016 [P-145], as amended by P-196, P-209, P-264 and P-330. Pursuant to section 341 of the Bankruptcy Code, a meeting of creditors for each of the Debtors was held on June 1, 2016[15]. The Debtors have complied with the monthly reporting requirements of the Office of the United States Trustee during every month of the case and has paid all U.S. Trustee quarterly fees.

[14] This matter was resolved per Stipulation [P-113].

[15] Present at the meeting of creditors for Industries was counsel for the following creditors: Investar Bank, Holcim US Inc, Carl Coco, et al, Continental Cement Company and Tri-State Resources, LLC.

IV. THE PLAN

The Debtors have proposed the Plan based on the terms of the mediation settlement amongst the parties and constituents and believe that the classification and treatment of Claims and Interests provided for in the Plan are consistent with the requirements of the Bankruptcy Code. Under the Bankruptcy Code, holders of Allowed Claims against and Interests in the Debtors that are Impaired and that receive distributions under the Plan are entitled to vote on the Plan. A copy of the Plan accompanies this Disclosure Statement as Exhibit 3. A summary of the classification and treatment of Claims and Interests under the Plan is set forth above in this Disclosure Statement.

A. VALUATION OF THE DEBTORS

Enterprises' main asset, assuming it is determined to belong to its estate, will consist of the BP Proceeds. That asset has a value of $1,449,475.81[16] and is alleged to be subject to a security interest in favor of Investar for its Claim. The only other asset of Enterprises is Industries, which has an estimated ongoing business value of $9,646,665.00. In addition to the value of the equipment and machinery, that value also takes into account the value of ongoing business operations at each batch plant which is estimated at an amount equal to the industry standard of $40.00 per yard based on the average production at each plant., Many of the assets of Industries are subject to security interests totaling $3,633,105.39 in favor of Investar, Buzzi, Caterpillar and Mack.

B. TREATMENT OF UNCLASSIFIED CLAIMS UNDER THE PLAN

The Plan provides for the payment of Claims against the Debtors, including the treatment of unclassified Claims. The principal Priority Tax Claims known to the Debtors include those of

[16] Both Debtors have disputed the potential claim of Harold Asher, CPA in the amount of $86,001.74, which, if Allowed, would reduce the total BP Proceeds to $1,363,474.07.

the Louisiana Department of Revenue and sales tax owed to East Baton Rouge, Ascension, Avoyelles, Iberville, Livingston, Pointe Coupee, East Feliciana and Rapides Parishes. The principal Administrative Claims known to the Debtors include the fees and expenses of professionals hired by the Debtors, including: Steffes, Vingiello & McKenzie, LLC ("SVM"), the attorneys for the Debtors; Gordon, Arata, McCollam, Duplantis & Eagan, LLC, attorneys for the Official Committee of Unsecured Creditors; Faulk & Winkler, LLC, the CPA for Industries; Kaster & Cop, LLC, special counsel to Industries; and, Apple Guerin Company, LLC, audit specialists for Industries. It also includes an estimation of quarterly fees due to the Office of the U.S. Trustee through closure of the case.

C. MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

1. Effective Date.

The "Effective Date" of the Plan is the date on which the Plan shall take effect and is the day the Confirmation Order becomes a Final Order.

2. Means to Implement the Plan.

On and after the Effective Date, the Reorganized Debtors shall continue to own and operate its business. Future periodic payments due to the Holders of Class 1, 2, 3, 4, 6, and 7 Claims and to Holders of Allowed Class 5 Claims selecting Option 2 as required by this Plan shall be made by the Reorganized Debtors from revenues derived from those business operations. Unless already paid, the immediate cash payments due to the Holders of Allowed Class 5 Claims selecting Option 1 as well as cash payments due to the Holders of Allowed Class 1 and 2 Claims shall be paid from the BP Claim Proceeds currently being held in trust by Debtors' counsel as well as from the Debtors' cash on hand and proceeds of any sales of the Debtors' assets which have occurred during the pendency of this case and which proceeds have not been distributed as of the occurrence of the

Effective Date. On and after the Effective Date, the Reorganized Debtors may operate their businesses, may use, acquire and dispose of property, may retain, compensate and pay any professionals or advisors, and compromise or settle any causes of action, claims or interests without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by the Plan and the Confirmation Order. After payment of all required initial one-time cash payments due under this Plan to Class 1 and 2 Claims, and the payment in full of the 58% one-time cash payments to the Class 5 Claims selecting Option 1, the remaining BP Claim Proceeds shall be released to the Debtors by Debtors' counsel to be used as working capital and/or to fund distributions or dividends to Class 8 interests subject to the conditions precedent for same as set forth in this Plan.

D. OBJECTIONS TO CLAIMS/ADMINISTRATIVE CLAIMS/INTERESTS

1. Objections to Claims or Interests; Prosecution of Disputed Claims or Disputed Interests.

The Debtors and the Reorganized Debtors have the responsibility and authority for administering, disputing, objecting to, compromising and settling or otherwise resolving and finalizing Distributions (if any) with respect to all Claims.

2. Estimation of Disputed Claims.

The Reorganized Debtors may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors have previously objected to such Claim.

3. No Distribution on Account of Disputed Claims.

If a Claim or any portion of a Claim is disputed, no payment or Distribution shall be made on account of the disputed portion of such Claim (or the entire Claim, if the entire Claim is disputed), unless such Disputed Claim or portion thereof becomes an Allowed Claim. The Debtors

had identified the following Claims, a portion of which may be objectionable: Advantage Parts Supply, LLC("Advantage") (Proof of Claim Number 19), City of Baton Rouge (Claim Number 220), US Tax Recovery Partners (Claim Number 133), Continental Cement Company (Proof of Claim Number 124), Holcim US, Inc. (Proof of Claim Number 21), Louisiana Department of Environmental Quality ("DEQ") (Proof of Claim Number 3), Savard Labor and Marine ("Savard") (Proof of Claim Number 8), and Southern Aggregates (Proof of Claim Number 2) (collectively, the "Disputed Claims"). The Debtors resolved the objection to the Disputed Claims of Holcim US, Inc. ("Holcim"), Southern Aggregates, LLC ("Southern") and Continental Cement ("Continental") at the mediation held September 30, 2016 (the "Mediation"). The claim of Continental will be Allowed in the amount of $276,044.35; the Claim of Holcim will be Allowed in the amount of $312,000.00; and, the Claim of Southern will be Allowed in the amount of $117,511.01 as the parties agreed to during the Mediation. The Debtors intend to object to the amounts claimed by the City of Baton Rouge, US Tax Recovery Partners, Advantage, DEQ and Savard. A listing of all Allowed Non-Insider General Unsecured Claims, Claims described above to which the Debtor intends to object, and all Allowed Insider General Unsecured Claims is attached hereto as Exhibit 4.

E. CLAIMS AGAINST OTHERS

The Reorganized Debtors shall retain and may enforce, and shall have the sole right to enforce any claims, demands, rights and Causes of Action that the Debtors or their Estates may hold against any Individual or Entity. The Reorganized Debtors or its successors may pursue such retained claims, demands, rights or Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors, or its successors. Further, the Reorganized Debtors, as the case may be, retains its right to file and pursue, and shall have the sole right to file and pursue any

adversary proceedings against any account related to debt balances or deposits owed to the Debtors. The Debtors have not identified any transfers made to insiders within the year before the Petition Date or to creditors within the 90 days before the Petition Date which may be avoided. Thus, the Debtor does not intend to bring any Avoidance Actions after entry of the Confirmation Order.

F. EXECUTION OF DOCUMENTS AND CORPORATE ACTION

The Debtors' President is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents, and to take such actions as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of this Plan.

G. POST-CONFIRMATION MANAGEMENT

Post-confirmation, the Reorganized Debtors shall be managed by their current President, Mr. Heck. Mr. Heck will continue to be compensated by Industries at the same rate he was compensated before the filing of the Petition and during the pendency of these cases. In addition, Mr. Heck will continue to receive rent payments from Industries in the amount of $14,000.00 monthly for the leases of batch plant locations in New Roads, Louisiana, Zachary, Louisiana and Centreville, Mississippi, as well as the lease of a stone yard located in Baton Rouge, Louisiana.

V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. ASSUMPTION

Except as otherwise provided herein or pursuant to the Confirmation Order, as of the Effective Date, all executory contracts and unexpired leases between the Debtors and any Person, shall be assumed pursuant to section 365(a) of the Bankruptcy Code, except for any executory contract or unexpired lease that has otherwise been assigned or rejected or renegotiated and either

assumed or rejected on renegotiated terms, pursuant to an order of the Bankruptcy Court entered prior to the Effective Date and **except for the alleged executory contracts listed on Exhibit "5" hereto which are deemed to be rejected as the date of entry of the Confirmation Order. The inclusion of any contract on Exhibit "5" shall not be construed as an acknowledgment that such contract exists, is valid, or has not been terminated prior to the Petition Date.** Entry of the Confirmation Order shall constitute approval, pursuant to section 365(a) of the Bankruptcy Code, of the assumption and assignment of executory contracts and unexpired leases and for the rejection provided for herein. A listing of all the Debtors' executory contracts and unexpired leases is attached hereto as Exhibit "6".

B. REJECTION

On the Effective Date, unless the counter-party to such assumed lease or executory contract agrees to a less favorable treatment, the Debtors (a) shall cure or provide adequate assurance that it shall cure any and all undisputed defaults under any Assumed Contract, and (b) compensate or provide adequate assurance that it shall promptly compensate the other parties to such executory contract or unexpired lease for the agreed amount of any actual pecuniary loss to such party resulting from such undisputed default in accordance with section 365(b) (1) of the Bankruptcy Code. In the event that the Debtors disputes the existence of a default, or the nature, extent or amount of any required cure, adequate assurance or compensation, the obligations of the Debtors, under section 365(b) of the Bankruptcy Code shall be determined at the Confirmation Hearing or at any other hearing ordered by the Bankruptcy Court, and any such obligations shall be performed by the Debtors within thirty days after the Effective Date unless otherwise provided in the Confirmation Order or by other order of the Bankruptcy Court. **THE DEBTORS ALLEGE**

THAT THERE ARE NO "CURE" REQUIREMENTS DUE TO ANY OTHER PARTY TO AN ASSUMED CONTRACT EXCEPT AS SET FORTH IN EXHIBIT 6 HERETO.

If the rejection of an executory contract or unexpired lease by the Debtors (pursuant to this Plan or otherwise) results in a Claim, then such Claim shall be forever barred and shall not be enforceable against the Debtors and the Reorganized Debtors unless a Proof of Claim is filed and served upon counsel for the Debtors no later than (i) the date on which an order previously rejecting the claim provided, or (ii) thirty (30) days after the earlier of (a) entry of the Confirmation Order, or (b) entry of an order approving such rejection and providing for a date in which the Proof of Claim must be filed. Unless otherwise ordered by the Bankruptcy Court, all Claims arising from the rejection of executory contracts and unexpired leases shall be treated, to the extent they are Allowed Claims, as an Allowed Class 5 Claim and the Holders of such allowed Class 5 Claims shall be deemed to have selected treatment under Option 1 as set forth above unless they affirmatively select Option 2 when they file and serve the required Proof of Claim for such rejection claim.

C. CURE PAYMENTS, COMPENSATION FOR PECUNIARY LOSS, AND ADEQUATE ASSURANCE

On the Effective Date, the Reorganized Debtors (a) shall cure or provide adequate assurance that it shall cure any and all undisputed defaults under any Assumed Contract, and (b) compensate or provide adequate assurance that it shall promptly compensate the other parties to such executory contract or unexpired lease for the agreed amount of any actual pecuniary loss to such party resulting from such undisputed default in accordance with section 365(b)(1) of the Bankruptcy Code. In the event that the Reorganized Debtors disputes the existence of a default, or the nature, extent or amount of any required cure, adequate assurance or compensation, the obligations of the Reorganized Debtors under section 365(b) of the Bankruptcy Code shall be

determined at the Confirmation Hearing or at any other hearing ordered by the Bankruptcy Court, and any such obligations shall be performed by the Reorganized Debtors within thirty (30) days after the Effective Date unless otherwise provided in the Confirmation Order or by other order of the Bankruptcy Court. **The Debtors are not aware of any cure payments or adequate assurance payments it will owe on the Effective Date as it remains current on its executory contract obligations**.

VI. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

A. INTRODUCTION

THE FOLLOWING DISCUSSION IS A SUMMARY OF CERTAIN OF THE SIGNIFICANT FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO THE DEBTORS AND TO HOLDERS OF CLAIMS AND EQUITY INTERESTS AND IS BASED ON THE INTERNAL REVENUE CODE OF 1986 (TITLE 26, UNITED STATES CODE), AS AMENDED TO THE DATE HEREOF (THE "TAX CODE"), TREASURY REGULATIONS PROMULGATED AND PROPOSED THEREUNDER, JUDICIAL DECISIONS AND PUBLISHED ADMINISTRATIVE RULES AND PRONOUNCEMENTS OF THE IRS AS IN EFFECT ON THE DATE HEREOF. CHANGES IN SUCH RULES OR NEW INTERPRETATIONS THEREOF COULD SIGNIFICANTLY AFFECT THE TAX CONSEQUENCES DESCRIBED BELOW. NO RULINGS HAVE BEEN REQUESTED FROM THE IRS. MOREOVER, NO LEGAL OPINIONS HAVE BEEN REQUESTED FROM COUNSEL WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN.

THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE PLAN TO THE HOLDERS OF CLAIMS AND EQUITY INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. IN ADDITION, THIS

DISCUSSION DOES NOT COVER ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO THE DEBTORS OR THE HOLDERS OF ALLOWED CLAIMS OR EQUITY INTERESTS (SUCH AS HOLDERS WHO DO NOT ACQUIRE THEIR CLAIM ON ORIGINAL ISSUE), NOR DOES THE DISCUSSION DEAL WITH TAX ISSUES PECULIAR TO CERTAIN TYPES OF TAXPAYERS (SUCH AS DEALERS IN SECURITIES, S CORPORATIONS, LIFE INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, TAX-EXEMPT ORGANIZATIONS AND FOREIGN TAXPAYERS). NO ASPECT OF FOREIGN, STATE, LOCAL OR ESTATE AND GIFT TAXATION IS ADDRESSED.

THE FOLLOWING SUMMARY IS, THEREFORE, NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR EQUITY INTEREST. HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES PECULIAR TO THEM UNDER THE PLAN. THE DEBTORS ASSUME NO RESPONSIBILITY FOR THE TAX EFFECT THAT CONFIRMATION AND RECEIPT OF ANY DISTRIBUTION UNDER THE PLAN MAY HAVE ON ANY GIVEN CREDITOR OR OTHER PARTY IN INTEREST.

B. CONSEQUENCES TO HOLDERS OF CLAIMS

1. Realization and Recognition of Gain or Loss in General

The federal income tax consequences of the implementation of the Plan to a holder of a Claim will depend, among other things, upon the origin of the holder's Claim, when the holder's Claim becomes an Allowed Claim, when the holder receives payment in respect of such Claim, whether the holder reports income using the accrual or cash method of accounting, whether the

holder has taken a bad debt deduction or worthless security deduction with respect to such Claim, and whether the holder's Claim constitutes a "security" for federal income tax purposes.

Generally, a holder of an Allowed Claim will realize gain or loss on the exchange under the Plan of its Allowed Claim for stock and other property (such as Cash and new debt instruments), in an amount equal to the difference between (i) the sum of the amount of any Cash and the issue price of any debt instrument, (other than any consideration attributable to a Claim for accrued but unpaid interest), and (ii) the adjusted basis of the Allowed Claim exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). The treatment of accrued but unpaid interest and amounts allocable thereto varies depending on the nature of the holder's Claim and is discussed below.

Whether or not such realized gain or loss will be recognized (i.e., taken into account) for federal income tax purposes will depend in part upon whether such exchange qualifies as a recapitalization or other "reorganization" as defined in the Tax Code, which may in turn depend upon whether the Claim exchanged is classified as a "security" for federal income tax purposes. The term "security" is not defined in the Tax Code or in the Treasury Regulations. One of the most significant factors considered in determining whether a particular debt instrument is a security is the original term thereof. In general, the longer the term of an instrument, the greater the likelihood that it will be considered a security. As a general rule, a debt instrument having an original term of 10 years or more will be classified as a security, and a debt instrument having an original term of fewer than five years will not. Debt instruments having a term of at least five years but less than 10 years are likely to be treated as securities, but may not be, depending upon their resemblance to ordinary promissory notes, whether they are publicly traded, whether the instruments are secured, the financial condition of the debtor at the time the debt instruments are issued, and other

factors. Each holder of an Allowed Claim should consult his or her own tax advisor to determine whether his or her Allowed Claim constitutes a security for federal income tax purposes.

C. CONSEQUENCES TO DEBTORS

1. Discharge-of-Indebtedness Income Generally

Industries, as a wholly owned subsidiary of Enterprises, neither pays or reports income tax- its revenues and expenses and other taxable transactions and events and taxable income generated thereby, if any, are reported on the return filed by Enterprises each year. Enterprises, a limited liability company that is taxed as an S corporation, also does not pay any taxes- all tax attributes of Enterprises are "passed through" to its members who then include them in their personal tax returns each year. The Plan contains provisions which permit the Debtors to make distributions to the members of Enterprises with which to pay taxes attributable to Enterprises under certain conditions and under certain limitations. The tax effects of confirmation of this Plan on each member will widely vary depending upon each member's personal tax situation.

VII. LIQUIDATION ANALYSIS UNDER CHAPTER 7

A. LIQUIDATION UNDER CHAPTER 7.

1. Generally

The Local Rules of this Court require that this Disclosure Statement contain an analysis of the projected effect of liquidation of the Debtors under Chapter 7 of the bankruptcy code so that creditors can analyze the Plan treatment against recovery that might occur upon liquidation. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the Debtors' assets. The proceeds of the liquidation, augmented by the Debtors' cash and any recoveries from third parties, would be distributed to the respective holders of Claims in accordance with the priorities established by the Bankruptcy Code. The Trustee also would be entitled to compensation

representing a statutorily fixed portion of the distributions made to Creditors. As discussed above and in the following paragraphs, the Debtors believe that the proceeds received by the estate pursuant to a bankruptcy liquidation sale of the Debtors' assets will result in no funds available for distribution to creditors. The Plan provides an immediate 58% recovery for Class 5 Claimants[17]. Class 5 Claims would not likely receive anything in a liquidation under Chapter 7.

2. LIQUIDATION ANALYSIS

The Debtor has considered liquidation in the context of a chapter 7 proceeding. As of October 2016, the Debtors have the following assets (with possible sale/liquidation value) listed in terms of liquidation value:

	Chapter 7 Liquidation
ASSETS	
Cash on Hand as of Effective Date	$52,500
Liquidation value of Equipment and Inventory	$2,213,248[18]
BP Proceeds	$1,446,435
Accounts Receivable	$1,731,605
(Less security interest in all assets[19])	**($4,033,105)**
Total Assets Available for Distribution	**$1,410,683**
Less Gray/BIS Claim	**($134,000)**
Less Trustee and/or Professional Fees[20]	($180,000)
Less Chapter 7 Commission at 10%	($181,068)
Total Available Funds	**$915,615**
CREDITOR CLAIMS	
Priority Claims/Administrative Claims	($671,016)
Total Available for Unsecured	$244,599

[17] Class 5 Claimants can also opt to receive 100% of their Claim over a 7 year period at 4% interest.

[18] This value is 35% of the equipment and inventory value and excludes the business enterprise value.

[19] This includes $200,000.00 each in attorney's fees to counsel for Investar and Buzzi.

[20] This amount includes commissions payable to auctioneers.

Estimated General Non-Insider Unsecured Claims	$1,364,265.52
Estimated Recovery for Unsecured Creditors	**17%**

The analysis represents the estimated liquidation value of the Debtors' assets assuming the Plan is not confirmed, and there is a liquidation of the Debtors' estates including a disposition of its properties and interests under Chapter 7 of the Code. Because the Plan provides immediate payment to Class 5 claims that would not otherwise be available in a Chapter 7 case, the Plan provides for greater recovery to all general unsecured claimants than would be available in a Chapter 7 case.

As evidenced by the above liquidation analysis, the Debtors believe that it is undeniable that the creditors of the Debtors' bankruptcy estates will receive more on account of their claims under the terms of the Plan than they would in a Chapter 7 case.

VIII. CONFIRMATION PROCEDURE

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. VOTING AND OTHER PROCEDURES

A Ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement submitted to the holders of Claims that are entitled to vote to accept or reject the Plan. Each holder of a Claim or Interest in Classes 1, 2, 3, 4, 5, and 7 and 8 shall be entitled to vote to accept or reject the Plan. Pursuant to the provisions of the Bankruptcy Code, only holders of claims or interests in classes that are impaired under the terms and provisions of a Chapter 11 plan and are to receive distributions thereunder are entitled to vote to accept or reject the plan. Classes of claims or interests in which the holders of claims and interests will not receive or retain any property under a Chapter 11 plan are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan. Classes of claims or interests in which the holders of claims or interests

are unimpaired under a Chapter 11 plan are deemed to have accepted the plan and also are not entitled to vote to accept or reject the plan.

The Bankruptcy Code defines "acceptance" of a plan by a class of: (i) Claims, as acceptance by creditors actually voting in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims; and (ii) Interests, as acceptance by interest holders in that class actually voting that hold at least two-thirds in number of ownership shares of the common stock of a debtor.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or otherwise in accordance with the provisions of the Bankruptcy Code.

With respect to the Plan, any holder of a Claim in an Impaired Class (i) whose Claim has been listed by either Debtor in the Schedules filed with the Bankruptcy Court (provided that such Claim has not been scheduled as disputed, contingent or unliquidated), or (ii) who filed a proof of claim on or before the applicable bar date (or, if not filed by such date, any proof of claim filed within any other applicable period of limitations or with leave of the Bankruptcy Court), which Claim has not been disallowed and is not the subject of an objection, is entitled to vote. Holders of Claims that are disputed, contingent and/or unliquidated are entitled to vote their Claims only to the extent that such Claims are Allowed for the purpose of voting pursuant to an order of the Bankruptcy Court. The Debtors may seek a determination that any Class of Claims that is entitled to vote to accept or reject the Debtors' Plan that does not vote to accept or reject the Debtors' Plan be deemed to accept the Plan, as applicable.

After carefully reviewing this Disclosure Statement, including any exhibits, each holder

of an Allowed Claim or Equity Interest entitled to vote may vote whether to accept or reject the Debtors' Plan. A Ballot for voting on the Plan accompanies this Disclosure Statement. If you hold a Claim or Equity Interest in more than one Class and you are entitled to vote Claims in more than one Class, you may receive a Ballot or Ballots, which will permit you to vote in all appropriate Classes of Claims. Please vote and return your Ballot to Steffes, Vingiello & McKenzie, LLC as follows, whether by U.S. Mail, or by hand delivery or courier service:

Steffes, Vingiello & McKenzie, LLC
Attention: Noel Steffes Melancon
13702 Coursey Boulevard, Bldg.3
Baton Rouge, Louisiana 70817

ANY EXECUTED BALLOT THAT FAILS TO INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. BALLOTS RETURNED TO STEFFES, VINGIELLO & MCKENZIE, LLC BY FACSIMILE TRANSMISSION OR ANY OTHER ELECTRONIC MEANS WILL NOT BE COUNTED.

THE VOTING DEADLINE IS 5:00 P.M., CENTRAL TIME ZONE, ON NOVEMBER _____, 2016.

APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN. ALL CREDITORS THAT ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

If you are entitled to vote on the Plan and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact Noel Steffes Melancon at the following telephone number: (225) 751-1751 or email address: nmelancon@steffeslaw.com.

B. DISCLAIMERS AND ENDORSEMENTS

This Disclosure Statement contains information about the Debtors' Plan. Holders of Claims and Interests are urged to study the text of the Plan carefully to determine the impact of the Plan on their Claims or Interests and to consult with their financial, tax and legal advisors.

Nothing contained in this Disclosure Statement or the Plan will be deemed an admission or statement against interest(s) that can be used against the Debtors in any pending or future litigation. Any reference to creditors or Claims or Interests in this Disclosure Statement is not an admission with respect to the existence, ownership, validity, priority, or extent of any alleged Lien, Claim, Equity Interest or encumbrance.

Certain statements and assertions in this Disclosure Statement may be subject to dispute by parties in interest.

C. THE CONFIRMATION HEARING

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing with respect to the Plan. The Confirmation Hearing in respect to the Plan has been scheduled for the date and time set forth in the accompanying notice before the Honorable Douglas D. Dodd, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Middle District of Louisiana, on ____ 2016, at _____ ___.m. CST. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than an announcement of the adjourned date made at the Confirmation Hearing or posted at the courthouse at the Confirmation Hearing or at an adjournment thereof. Any objection to confirmation (i) must be made in writing, (ii) must specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or a description of the interest in the Debtors held by the objector, and (iii) must be timely made. Any such objections must be filed with the Bankruptcy

Court and served so that they are received by the Bankruptcy Court, and the following counsel, on or before the date and time set forth in the accompanying notice:

Counsel to the Debtors:

Steffes, Vingiello & McKenzie, LLC
William E. Steffes, #12426
Noel Steffes Melancon, #30072
13702 Coursey Boulevard, Bldg.3
Baton Rouge, Louisiana 70817
Telephone: (225) 751-1751
Facsimile: (225) 751-1998

D. CONFIRMATION

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan is (i) accepted by all Impaired Classes of Claims or, if rejected by an Impaired Class, that the plan "does not discriminate unfairly" and is "fair and equitable" as to such Class, (ii) feasible, and (iii) in the "best interests" of creditors that are Impaired under the Plan.

E. UNFAIR DISCRIMINATION AND FAIR AND EQUITABLE TESTS

Under the Bankruptcy Code, a plan does not have to be accepted by every class of creditors or interest holders to be confirmed. If a class of claims or interests rejects a plan or is deemed to reject a plan, the plan proponent has the right to request confirmation of the plan pursuant to Section 1129(b) of the Bankruptcy Code, the so-called "cram down" provision of the Bankruptcy Code. Section 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more impaired classes of claims and interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class, and meets the other legal criteria for confirmation.

In the event that any Class of Claims or Interests fails to accept the Plan in accordance with section 1129(a)(8) of the Bankruptcy Code, the Debtors request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

Accordingly, to obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each Impaired, non-accepting Class. The Bankruptcy Code provides a nonexclusive definition of the phrase "fair and equitable." The Bankruptcy Code establishes "cram down" tests for Classes of Secured Claims, Unsecured Claims and Interests that do not accept the plan, as follows:

1. Secured Creditors

Either (a) each Impaired class of secured creditor(s) retains the Liens securing its Secured Claim and receives on account of its Secured Claim deferred cash payments (x) totaling at least the Allowed Amount of the Secured Claim and (y) having a present value at least equal to the value of the secured creditor's collateral, (b) each Impaired secured creditor realizes the "indubitable equivalent" of its Allowed Secured Claim, or (c) the property securing the Claim is sold free and clear of Liens with the secured creditor's Lien to attach to the proceeds of the sale and such Lien on proceeds is treated in accordance with clause (a) or (b) of this subparagraph. The Debtors have four secured creditors, namely: Investar, Buzzi, Caterpillar and Mack, whose claims total $3,633,105.39.

2. Unsecured Creditors

Either (a) each Class of Impaired unsecured creditors receives or retains under the plan property of a value equal to the amount of its Allowed Claim, or (b) the holders of Claims and Interests that are junior to the Claims of the dissenting Class will not receive any property under

the plan, and the "best interest" test is met so that each Impaired unsecured creditor recovers at least what that creditor would receive if the case was converted to a chapter 7 case.

3. Holders of Interests

Either (a) Class of holder of Impaired Interests receives or retains under the plan property of a value equal to the greatest of the Allowed Amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) no holder of junior interests receives or retains any property, and the "best interest" test is met, so that each Impaired Equity Interest holder recovers at least what that Equity Interest holder would receive if the case was converted to a chapter 7 case.

4. No Unfair Discrimination

In addition, the "cram down" standards of the Bankruptcy Code prohibit "unfair discrimination" with respect to the claims of any impaired, non-accepting class. While the "unfair discrimination" determination depends upon the particular facts of a case and the nature of the claims at issue, in general, courts have interpreted the standard to mean that the impaired, non-accepting class must receive treatment under a plan of reorganization which allocates value to such class in a manner that is consistent with the treatment given to other classes with claims against the debtors of equal or junior status.

All Classes of creditors will receive distributions under the Plan; thus, no Class of creditors is conclusively presumed to have rejected the Plan. The Debtors believe that the treatment of all Classes of Claims and Interests under the Plan satisfies the "no unfair discrimination" requirement for nonconsensual confirmation of the Plan under section 1129(b) of the Bankruptcy Code.

With respect to any Impaired, non-accepting Class, if any, there is no Class of equal priority receiving more favorable treatment under the Plan, and no Class that is junior to such Impaired,

non-accepting Class that will receive or retain any property under the Plan on account of the Claims or Interests in such Class.

F. FEASIBILITY

The Bankruptcy Code requires that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization unless the liquidation of the Debtors is provided for in the plan. It is not likely that the confirmation will be followed by liquidation or the need for further financial reorganization of the Debtors. Financial projections demonstrating the pro forma financial results of the Reorganized Debtors are attached as Exhibit "1" and evidence the feasibility or likelihood that the payments under the plan shall be made.

G. BEST INTEREST TEST

In order to confirm a plan of reorganization, the Bankruptcy Court must determine that the plan is in the best interests of all classes of creditors and equity security holders impaired under that plan. The "best interest" test requires that the Bankruptcy Court find that the plan provides to each member of each impaired class of claims and interests (unless each such member has accepted the plan) a recovery which has a value at least equal to the value of the distribution that each creditor or interest holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

As reflected in the discussion above, and as demonstrated in the liquidation analysis contained in this Disclosure Statement, the Debtors believe that the Plan provides to each holder of a Claim and Interest holder a value at least equal to the value of the distribution that each holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

H. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN (AND ANY DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE), BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND THE IMPLEMENTATION OF THE PLAN.

The major risk factor is that Industries will be unable to achieve the projections set forth in the Plan and make the payments required by the Plan in the event of an unforeseen downturn in business operations and revenue.

I. CERTAIN BANKRUPTCY CONSIDERATIONS

1. Risk of Liquidation of the Debtors' Estate

If the Plan is not confirmed and consummated, there can be no assurance that the Debtors' Chapter 11 Cases will continue as a Chapter 11 reorganization case rather than be converted to liquidation, or that any alternative plan of reorganization would be on terms as favorable or more favorable to holders of Claims as the terms of the Plan. If a liquidation or different reorganization were to occur, the distributions to certain holders of Allowed Claims may be reduced, or possibly completely eliminated. As previously noted, the Debtors believe that in a liquidation under Chapter 7, only priority tax claimants, administrative claimants and the secured claim would receive any distributions. As a result of these circumstances, the Debtors believe that the Plan provides a significantly higher return to holders of Claims in the Debtors, as compared to liquidation.

2. Risk of Non-Occurrence of the Effective Date

The occurrence of the Effective Date in the Plan is conditioned upon the happening of certain events. There can be no assurance that all of these events will occur or that those that do not occur will be waived. Accordingly, even if the Plan is confirmed, there can be no assurance that the Effective Date will occur.

3. Performance of Obligations by the Debtor under the Plan

Although the Debtors and the Reorganized Debtors believe that it can successfully perform all of its obligations under the Plan, there can be no assurance that the Reorganized Debtors will do so. This could result in a subsequent liquidation of the Debtors, either by current management or future management appointed by the members of the voting trust.

IX. CONCLUSION AND RECOMMENDATION

The Debtors believe that confirmation and implementation of the Plan is preferable to any alternative. In addition, any other alternative would involve significant delay, litigation, uncertainty, substantial additional administrative costs, and may result in the Debtors' liquidation. The Debtors urges holders of Impaired Claims to vote in favor of the Plan.

Dated: October 31, 2016

Respectfully submitted by:

Heck Industries, Inc.
Heck Enterprises, Inc.
By: s/ Wallace E. Heck, Jr.
Wallace E. Heck, Jr., President

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