

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA

IN RE:
PENN TEX HELICOPTERS, INC.

CHAPTER 11

CASE NO. 15-51588

SECOND AMENDED PLAN AND DISCLOSURE STATEMENT

NOW INTO COURT, through undersigned counsel comes PENN TEX HELICOPTERS, INC., Debtor(s)-in- Possession, who presents the following Combined Plan and Disclosure Statement:

On the 14TH day of December, 2016, 2015, PENN TEX HELICOPTERS, INC... (PENN TEX) filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Louisiana, Lafayette, Division.

After the filing of the bankruptcy petition, PENN TEX was authorized to continue in business under the protection of the Bankruptcy Code and to attempt to work out an arrangement with creditors on a plan for the repayment of his debts. This document explains how PENN TEX proposes to pay creditors. If the Bankruptcy Court approves this plan, the creditors rights to collect their debt will be limited by federal law (the Bankruptcy Code). If the plan is approved, creditors will only be allowed to collect from PENN TEX as provided in this document.

1. Why did PENN TEX HELICOPTERS, INC. file this Bankruptcy Case?

PENN TEX is a Louisiana corporation that was organized May 31, 1988. It was run by Kenneth E. Squires. The business of the company was a flying school until 911 when laws were made restricting the ability of Mr. Squires to instruct to be pilots. The company was there after run as a crop dusting service until the untimely death of Mr. Squires August 10, 2014.

Mrs. Squires is the sole heir of Mr. Squires. Mrs. Squires is not able to continue to operate the business and the business has not operated since Mr. Squires death.

Penn Tex owns 4.76 acres in Section 22 of Iberia Parish, Louisiana. Gulf Coast Bank has a first mortgage on the property. The debt owed to Gulf Coast bank as per the proof of claim filed is \$117,229.19. Gulf Coast Bank had a foreclosure scheduled wherefore this bankruptcy was filed.

ASSETS OF THE DEBTOR (LIQUIDATION ANALYSIS)

The following is a list of assets owned by PENN TEX and a liquidation analysis of those assets.

<u>Asset</u>	<u>Value</u>	<u>Exempt</u>	<u>Lien/MTG</u>	<u>Value to Estate</u>
4.76 acres	\$127,000.00	no	\$254,520.00	\$0.00
1965 Piper	\$10,000.00	no	\$119,520.00	\$0.00
Cash on hand	\$4,842.45	no	\$119,520.00	\$0.00
Liquidation Value:				\$ 0.00

2. What has happened since the Bankruptcy Case was filed?

The Debtor has filed schedules with the Bankruptcy Court that are believed to list all assets and Debts. These Schedules included an election by the Debtor to be treated as a Small Business.

As a result of same, the Debtor is entitled to file this combined Plan and Disclosure Statement and set same for hearing on an abbreviated basis. The Bankruptcy Court approved the application of William Vidrine, with Vidrine & Vidrine, PLLC, as general counsel for the Debtors.

The Debtor has filed monthly operating reports. PENN TEX has no work. The business is closed. All post petition taxes, fees and costs are paid.

3. How does PENN TEX propose to pay his debts?

a. The Creditors are divided into classes

The Bankruptcy Code requires PENN TEX to divide its creditors into classes. Creditors with the same legal rights must be put into the same class. In this case, each secured creditor (a creditor with a lien or mortgage on movable or immovable property) has different legal rights, so each secured creditor is put in a separate class. The Debtor's Bankruptcy Lawyer and Accountant are put in a separate category for administrative creditors, creditors who have assisted with this Bankruptcy Case. Priority tax creditors and other Claims of taxing authorities are also put in a separate category. All other creditors, the "unsecured creditors," are also placed into a separate class.

b. How much and when does PENN TEX HELICOPTERS, INC. propose to pay creditors?

This disclosure statement and plan outlines PENN TEX 'S proposed payment schedule to creditors.

All of the Assets of the Reorganized Debtor, including all furniture, fixtures, equipment, intangibles, movable property and immovable property will remain in the possession of PENN TEX free and clear of any mortgage, lien, judgment and/or other encumbrances, none of which

will be recognized and maintained under this plan, unless provided for herein.

The United States Trustee's fees do not require allowance by the Court. Both pre-confirmation and post-confirmation UST fees shall be paid in cash and in full pursuant to all applicable provisions of the Bankruptcy Code and other statutory provisions. The Debtor will be required to continue to file monthly operating reports and/or disbursement reports and shall pay quarterly fees to the UST until this case is closed, converted or dismissed. The reports shall be filed on the same frequency as operating reports were filed according to the Debtor In Possession Order.

Administrative Claims– Administrative claims, including claims of PENN TEX 's lawyer and accountant, will be paid in full in cash on the effective date of the Plan.

Priority Tax Claims– PENN TEX does not owe priority claims.

Class 1. Secured Claim of Gulf Coast Bank:

The Claim of Gulf Coast Bank is \$117,229.19. Gulf Coast Bank holds a first mortgage on the Debtor's real estate. By virtue of a subordination entered into by Gulf Coast Bank, on the 27th day of March 2001 with SBA, Gulf Coast Bank shall be and at all times remains a first mortgage upon the property herein described, to secure the indebtedness to Gulf Coast Bank in the amount of \$112,800.00 and that the SBA Mortgage shall be a first mortgage on the herein after described property for all amounts in excess of \$112,800.00.

The property is described as follows:

A certain tract of land with all buildings and improvements thereon and thereunto belonging, and all rights, ways privileges and servitudes thereto appertaining, containing four and

76/100 (4.76) acres, located in the Second Ward of Iberia Parish, Louisiana, in Section 22, Township 12 South, Range 7 East, and being those certain two lots having a frontage on the centerline of Hubertville Road, Irregular in shape, being known and designated as Lots 1 and 2 and having those measurements and boundaries as shown on that certain plat of survey dated April 8, 1994, prepared by Michael J. Breaux & Associates, Inc.

LESS AND EXCEPT:

Lot 1-B as depicted on a plat of survey prepared by Michael J. Breaux, R.L.S. dated April 8, 1994, a copy of which is attached to an Act of Exchange recorded at COB 1177, Folio 12, Entry No. 99-5906, in the conveyance records of Iberia Parish Clerk of Court, Iberia Parish, Louisiana.

Being that certain lot of ground with all buildings and improvements and the components parts thereof, together with all rights, ways, privileges, servitudes and all appurtenances thereunto appertaining, situated in Section 22, Township 12 South, Range 7 East, Iberia Parish, Louisiana, fronting 95 feet along Hubertville Road by a depth between and parallel lines of 229.26 feet with a rear of 95 feet, bounded northerly, easterly and westerly by Penn-Tex Helicopters, Inc. (Lot 1-A of the noted plat) and southerly by Hubertville Road.

Being a portion of the same property acquired by Penn-Tex Helicopters, Inc. from Kenneth Edward Squires and Pearl Lafleur Squires by Act of Exchange dated April 15, 1994 and recorded April 18, 1994, in COB 1071, Folio 649, Entry No. 94-2746 of the public records of Iberia Parish,

DEBTOR'S COMBINED PLAN AND DISCLOSURE STATEMENT

Louisiana.

Penn Tex will sale the above described property to the insider, Pearl Squires, for the appraised value of \$127,000.00, see attached exhibit "A", free and clear of all liens and encumbrances. Gulf Coast Bank will receive \$112,800.00 of the sale proceeds. The remaining debt due to Gulf Coast Bank will be treated as a general unsecured claim.

Class 2. Secured Claim of SBA:

Small Business Administration holds a mortgage on the Debtors property on all amounts above \$112,800.00. The property will be sold to insider Pearl Squires for the appraised value of \$127,000.00. SBA will received funds from the sale totaling \$14,200.00. SBA's has filed a claim in the amount of \$135,610.79.

SBA also has lien on the on the 1963 Piper Comanche. The Debtor's insider will purchase the Piper for \$1,800.00. All proceeds will be delivered to SBA. SBA is to deliver clear title to the aircraft to Pearl Squires. SBA will deliver to the Pearl Squires an executed Federal Aviation Administration form 8050-41 releasing the lien on the aircraft.

The remaining amounts due to SBA will be treated as a general unsecured claim

Class 3 General Unsecured Claims:

Any remaining funds in the Debtor's debtor in possession account after administrative costs are paid will be paid to general unsecured creditors on a pro rata basis.

Confirmation of the plan will allow the Debtor to submit an exparte order to the court, directed to the Iberia Parish Clerk of Court, to cancel and erase from its records the following encumbrances:

1. That Multiple Indebtedness Mortgage in favor of Gulf Coast Bank dated April 15th, 1994 recorded in mortgage book A-639, folio 440-A, entry no. 94-2696.
2. That subordination recorded in mortgage book A-830, Folio 596, entry no: 01-3387 between Gulf Coast Bank and Small Business Administration dated March 7, 2001.
3. Mortgage in favor of Small Business Administration recorded in Mortgage book A-829, folio 171, entry 01-2923, file number 2001-00002923 dated March 17, 2001 in the amount of \$132,700.00.
4. That multiple indebtedness mortgage to Gulf Coast Bank dated November 2, 2002 recorded in mortgage book A-915, folio 875, entry 02-14752.

CLAIMS NOT FILED:

Claims not filed by the bar date will be disallowed and those creditors will not receive a distribution under the plan (except for the treatment of SB A in Class 2 above).

c. Future Management and ownership

This liquidating plan sales all assets of the Debtor. Future management will not be necessary.

d. Creditors have the right to vote on the plan

After reading this plan and disclosure statement, creditors will have the right to Vote on whether the Bankruptcy Court should “confirm” this plan. Each creditor should read this combined plan and disclosure statement carefully, discuss it with a lawyer, and then fill out the ballot, when provided. PENN TEX ’s lawyer will assemble the ballots and report to the Bankruptcy Judge.

At that time, the court will conduct a confirmation hearing in this case and decide whether to confirm the plan.

e. Creditors also have the right to object to this Disclosure Statement and/or object to confirmation of the plan

If a creditor believes that the Combined Plan and Disclosure Statement does not contain sufficient information to decide whether to vote for (or against) the plan, the creditor may file a written objection with the Bankruptcy Court. If a creditor believes that the plan does not meet the requirements of the Bankruptcy Code, then the creditor may also file a written objection with the Bankruptcy Court. The deadline for filing objections will be provided at a latter date.

f. The Court may approve this plan and limit creditors' legal rights

The Court will only consider ballots and written objections that are timely filed. If no objections are timely filed, or if the Court overrules all objections, and at least one class of creditors accepts the plan, the Court may approve the plan. If the Court approves the plan, all creditors will be bound, even if a creditor did not vote or even if a creditor voted against the plan. This means that a creditor will not be allowed to collect its claim against PENN TEX except as provided for in the plan.

g. How does a class accept the plan?

Each class is considered separately. Only the creditors who vote are counted. The Court will conclude that a class "accepts" the plan only if two requirements are met: 1) More than 50% of the voting creditors in that class vote in favor of the plan; and 2) Those creditors voting in favor of the plan hold at least 2/3 of the total amount of the debt that is voted.

h. What if a creditor is not listed in This Plan

All unsecured creditors who have filed a claim are listed herein. The proof of claim deadline has been set by the court. All unsecured claims that PENN TEX agrees to pay (or that

are disputed) are listed. If a creditor's claim is not listed and/or a creditor fails to timely file a claim with the Bankruptcy Court, PENN TEX will not pay any money to that creditor, but that creditor's claim will nevertheless be discharged (that is, the creditor will not be allowed to collect any money from PENN TEX). If a creditor believes this provision violates its legal rights, the creditor should contact a lawyer and file an objection with the Court.

i. What to do for more information?

Creditors should talk with a lawyer about their rights and responsibilities in this case. A creditor should have its lawyer call PENN TEX 'S lawyer, who may be contacted as follows:

William C. Vidrine

Vidrine & Vidrine, PLLC

711 W. Pinhook Road

Lafayette, LA 70503

337-233-5195

WilliamV@Vidrinelaw.com

If a creditor does not have a lawyer, he can call PENN TEX 's lawyers directly.

REMEMBER THAT PENN TEX 's LAWYERS CANNOT GIVE CREDITORS LEGAL OR FINANCIAL ADVICE BECAUSE THEY REPRESENT PENN TEX , NOT CREDITORS.

j. Preferences and Fraudulent Transfers.

After a review of its records, PENN TEX does not believe that any actionable claims exist for preferences or fraudulent transfers against any insiders or any other persons. Thus, PENN TEX does not intend to pursue any preference or fraudulent conveyance causes of action after confirmation.

4. Does PENN TEX HELICOPTERS, INC. have enough money and earnings to make the payments called for in the plan?

The plan is a liquidating plan. PENN TEX has no income.

Operating reports have been filed by the Debtor which reports include financial data since December 2015. There was no income to report.

5. Rejection of Executory Contracts and Unexpired Leases.

There are no contacts that need to be rejected or accepted.

6. Are there any alternatives to the plan?

The only alternative is liquidation under Chapter 7 or dismissal of this case. In a liquidation scenario, unsecured creditors will receive less than they are under this plan. Liquidation under Chapter 7 would also incur additional administrative costs, including fees for a Chapter 7 trustee and his/his lawyers and accountants, real estate agent, which could substantially reduce the value of any distributions to creditors. Unsecured Creditors would receive at most the liquidation value of the assets which would be less than the liquidation analysis performed herein. It is not known what the distribution to unsecured creditors will be at this time because of the unknown administrative costs including quarterly fees to be paid to the U.S. Trustee.

9. Is there any risk that the plan might not succeed?

There are no risk. Pearl Squire has funds available and is ready to purchase the assets of Penn Tex.

10. Are there any tax effects from this plan?

Tax Effects for the Debtor: PENN TEX believes that it will suffer no unexpected tax effects from this plan or due to the fact that they have become insolvent.

Tax Effects to Creditors: PENN TEX also does not believe that Creditors will have any tax effects as a result of the filing of this Bankruptcy Proceeding or the confirmation of this plan. It is possible that some of the Creditors may be able to deduct some of PENN TEX debt as a bad debt expense but that would only be for certain creditors on an accrual accounting basis. However, each Creditor should consult with its own tax advisor to be sure.

11. Please vote for this plan

PENN TEX asks that creditors vote in favor of this plan.

RESPECTFULLY SUBMITTED
PENN TEX HELICOPTERS, INC.

By: /s/ PENN TEX HELICOPTERS, INC.

By: /s/ William Vidrine
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