UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

IN RE: CHAPTER 11

AMERICAN TANK COMPANY, INC.

CASE NO. 17-51160

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PLAN AND DISCLOSURE STATEMENT

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

On the 5th day of September, 2017, AMERICAN TANK COMPANY, INC. (ATC) 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 ATC 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 their debts. This document explains how ATC 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 ATC as provided in this document.

1. Why did ATC file this Bankruptcy Case?

ATC is a family run business owned by Larry and Rochelle Romero. The company was started in August of 1987. The company builds metal tanks and their componants for various industries including the oil field. Much of the business of ATC was from the oil field and because of the down turn in the oil field in 2015 sales declined requiring ATC to seek protection under the bankruptcy code.

ASSETS OF THE DEBTOR (LIQUIDATION ANALYSIS)

All of the assets of the Debtor are encumbered by pre petition or post petition financing. If the Debtor's assets were liquidated the unsecured creditors would receive no dividend.

2. <u>What has happened since the Bankruptcy Case was filed?</u>

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 was authorized to incur post petition priority debt with Pittsburg Tank and Tower. Pittsburg Tank and Tower was given an administrative claim and security in assets of the Debtor. The Debtor was authorized to pay insiders and benefits on behalf of insiders. The Debtor was ordered to pay adequate protection to Ford Motor Credit for three vehicles and to US Bank d/b/a U.S. Bank Equipment Finance. A bar date was set for November 30, 2017. The Debtor has filed monthly operating reports. A unsecured creditor committee was formed.

<u>How does ATC propose to pay his debts?</u>

a. <u>The Creditors are divided into classes</u>

The Bankruptcy Code requires ATC 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. <u>How much and when does AMERICAN TANK COMPANY, INC. propose to pay creditors?</u>

This disclosure statement and plan outlines ATC'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 ATC 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.

<u>Administrative Claims</u>– Administrative claims, including claims of ATC 's lawyer, accountant and administrative tax claims, will be paid in full in cash on the effective date of the Plan. As of the date of filing of this plan there have been no administrative claims that have been approved by the court.

<u>Priority Tax Claims</u>– ATC does owe priority claims. All priority tax creditors will be paid the full amount of their priority tax claims within five (5) years from the entry of the order for relief. The first payment will be thirty (30) days after the effective date of the plan and payments thereafter will occur on a monthly basis. **The Effective date of the plan is defined as the date the Confirmation Order is entered.** Interest will continue to accrue on the priority claims at the federal statutory rate for any claim of the IRS.

Priority tax claims due to the Louisiana Department of Revenue will be paid at the Louisiana Department of Revenue's interest rate in effect in the month the plan becomes effective. Louisiana Department of Revenue will notify the Debtors in writing as to the proper interest rate to be applied.

If the reorganized debtor substantially defaults, defined as failing to make payments as per the confirmed plan, on the payments of a tax due to the IRS or the State of Louisiana under the plan, the entire tax debt still owed to the IRS or the State shall become due and payable immediately, and the IRS and/or the State of Louisiana may collect these unpaid tax liabilities through the administrative collection provisions of the Internal Revenue Code and /or Title 47 of the Louisiana Revised Statutes, which ever is applicable.

Taxes Due:

Arkansas Department of Finance & Administration: Priority claim of $19,791.71. Payments will be made on a monthly basis in the approximate amount of $329.86.

Louisiana Department of Revenue: Priority claim of $47,780.27. The claim will be paid on a monthly basis in the approximate amount of $796.33.

New Mexico Taxation & Revenue Department: Priority claim of $27,473.65. The claim will be paid on a monthly basis in the approximate amount of $457.89.

Lafourche Paish School Board: Priority claim of $5,812.42. The claim will be paid on a monthly basis in the approximate amount of $100.00

Plaquemine Parish Sales Tax: Priority claim of $5,812.42. The claim will be paid on a monthly basis in the approximate amount of $100.00.

Lafayette Parish School Board: Priority claim of $1,490.93 The claim will be paid on a monthly basis in the approximate amount of $25.00.

Default:

If the reorganized Debtor substantially defaults, defined as failing to make payment as per the confirmed plan, on the plan payments due to the IRS, the State of Louisiana, or any other claim, the outstanding balance is immediately due and payable. Payment shall be for the entire amount owed to the IRS, the State or other claims under the plan. The IRS, the State of Louisiana or any other claimant may motion the court to convert the case to a Chapter 7 or in the alternative, dismiss the case or request a lifting of the stay in order that it can collect these unpaid liabilities through the administrative collection provisions of the Internal Revenue Code, the State tax code and/or other collections laws of the State of Louisiana.

Notwithstanding anything in the Plan to the contrary, the Bankruptcy Court shall not retain jurisdiction with respect to the pre-petition tax claims except for (i) resolving the amount of any state tax claim arising prior to confirmation, and (ii) enforcing the discharge provision of the Plan.

A failure of the reorganized Debtor(s) ("Debtors") to make a payment due under the confirmed plan or due on any tax for any post-confirmation tax period while making the installment payments due pursuant to the terms of the Plan to the Louisiana department of Revenue shall be an Event of Default. Failure to declare a default does not constitute a waiver by the Louisiana Department of Revenue's rights to declare that the Debtors are in default.

The Louisiana Department of revenue will give the Debtors written notice of the Event of Default at the address listed on the Debtor's Chapter 11 Petition or the Debtor's most recent filed tax return, with a copy to the Debtor's counsel. The Debtors may cure such default within fourteen (14) days from the receipt of such notice. If the reorganized Debtor fails to cure the default with fourteen (14) days after receipt of written notice of default, then the Louisiana Department of Revenue may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies allowed under state law or any other applicable non-bankruptcy law; and/or (c) seek such relief as may be available in the Court, meaning any Louisiana court of proper jurisdiction and venue or any other court of proper jurisdiction and venue. All unpaid priority tax claims remain non-dischargable after confirmation pursuant to 11 U.S.C. §1141(d)(2), and the debtors and any property of the debtors remain liable for all unpaid priority tax claims after confirmation.

Class 1. Secured: Midsouth Bank:

By agreement of the parties and order of the court Midsouth Bank collected pre petition receivables and has been paid in full.

Class 2: Claims of Ford Motor Credit:

Ford Motor Credit has 4 claims:

Claim 2 in the amount of $7,508.96 secured by a 2013 Ford F250 VIN: 1FT7W2A6XDEA46844. Adequate protection payments have been made as per Order dated November 20, 2017 in the amount of $243.90. The Debtor will continue to pay Ford $243.90 until the claim is paid in full.

Claim 3 in the amount of $25,692.64 secured by 2015 Ford F2502, VIN: 1FT7W2A64FEB66920. The Debtor has made adequate protection payments in the amount of $373.38 as per court order dated November 20, 2017. The Debtor will continue to make payments of $373.38 until the claim is paid in full.

Claim 19 in the amount of $7,811.78 secured by a 2012 Ford F250 VIN: 1FMCU0GX4EUC81610. The Debtor has paid adequate protection payments of $294.13 per month as per court order dated November 20, 2017. The Debtor will continue to make payments of $294.13 until the claim is paid in full.

Claim 20 in the amount of $12,279.36 secured by a 2014 Ford Escape, VIN: 1FMCU0GX4EUC81610. The vehicle was sold and the claim paid in full as per court order dated November 20, 2017.

Class 3, Secured claim of Pittsburg Tank and Tower: Pittsburg Tank and Tower has a post petition secured claim in the amount of $499,306.00 as a result of post petition dip financing and an agreement entered into by and between the Debtor and Pittsburg Tank and Tower. The claim will be paid back at the rate of 7% over 120 months. The monthly payment will be approximately $5,800.00.

Further the claim of the member of this class shall constitute an administrative expense claim under § 364(c)(1) of the Bankruptcy Code, which shall be deemed allowed, without any further filing by the member of this class , and which shall have priority over any and all administrative expenses of the kind specified in §§ 503(b) and 507(b) of the Bankruptcy Code with the exception of those fees and expenses of Debtor's counsel approved by the Court. The security interests of Pittsburg Tank & Tower is recognized and affirmed as valid and perfected. However, nothing herein shall impede the United States Trustee's entitlement and priority to collect any and all statutory fees during the pendency of this Chapter 11 proceeding."

Class 4, Secured claim of Direct Capital:

Direct Capital is secured with over 40 pieces of equipment, including, but not limited to, forklifts, welding machines, air compressors and other equipment. An adequate protection order was entered into by and between the Debtor and Direct Capital on the 29th day of January 2018. Adequate protection payments of $2,500.00 per month were agreed to. The claim of Direct Capital Corporation was secured in the amount of $236,904.48. An appraisal of the equipment was done and the appraised value is $126,000.00. Direct Capital Corporation has agreed to accept $125,000.00 at 5.25% over 48 months. All adequate protection payments will directly reduce the principal balance of the secured portion of the loan. Payments will be approximately $2,550.00 per month.

Disputed Claims: none

Class 3: Allowed Unsecured Claims:

Allowed unsecured claims will share on a pro rata basis distributions totaling $50,000.00 which will be paid on a quarterly basis beginning the end of the first quarter after confirmation. Quarterly payments will be $2500.00 per quarter. This distribution to unsecured creditors will result in a 5% dividend.

c. Future Management and ownership

ATC will continue to maintain ownership of all assets of the company. There will not be an ownership change. The principals, Larry and Rochelle Romero, have loaned the company a great deal of money prior to the filing of this case and have worked endless hours without compensation. No claims will be filed by the Romeros in exchange for maintaining their ownership interest.

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. ATC'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 ATC 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

The proof of claim deadline has been set by the court. If a creditor fails to timely file a claim with the Bankruptcy Court, ATC 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 ATC .) 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 AMERICAN TANK COMPANY, INC. 'S lawyer, who may be contacted as follows:

William C. Vidrine
Attorney for ATC
711W. Pinhook Road
Lafayette, LA 70503
Ph. 337-233-5195
Fax. 337-233-3897
Email: williamv@vidrinelaw.com

If a creditor does not have a lawyer, he can call ATC 's lawyer directly. REMEMBER THAT ATC 's LAWYER CANNOT GIVE CREDITORS LEGAL OR FINANCIAL ADVICE BECAUSE THEY REPRESENT ATC , NOT CREDITORS.

j. <u>Preferences and Fraudulent Transfers.</u>

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

4. <u>Does AMERICAN TANK COMPANY, INC. have enough money and earnings to make the payments called for in the plan?</u>

ATC believes there will be enough income in the future to pay claims as per this plan. The Debtor has stayed current on post petition payments since the filing. The oil field has picked up and drilling is expected to increase in the near future. Since the filing the Debtor has filed monthly operating reports. The reports are summarized below:

<u>Month</u>	**<u>Net Income</u>**
September 2017	$ 7,902.17
October 2017	$61,391.01
November 2017	<65,272.55>
December 2017	<53,426.15>
January 2018	<21,868.51>
February 2018	$26,936.37
March 2018	$16,129.80
April 2018	$ 142.86
May 2018	$39,591.31

The Debtor has maintained a positive cash flow of $11,526.31 since the filing of the case all while paying the required adequate protection payments.

<u>Rejection of Executory Contracts and Unexpired Leases.</u>

Any and all contracts that are not specifically accepted are rejected.

Master Lease Agreement and Equipment Lease with U.S. Bank: The Debtor is paying adequate protection payments in the amount of $4,000.00 per month as per court order entered 12/18/2017 said payments began December 30, 2017. The equipment being leased is a Standard Industrial AB250-12 CNC Press Brake /n F512-20108; and Murata V5000 CNC Turrett w/52 Stations and Murata V3056 CNC Turrett w/44 Stations, s/ns 643 and 339. The Debtor will accept the lease and will continue making payments of $4,000.00 a month until the lease is paid in full.

Wells Fargo Financial Leasing, Inc. secured by a GEKA Model C2PL80 Automatic Line for punching and Shearing angles. $29,585.58 is owed on the Lease. The Debtor will accept the lease and will pay the balance in full in 60 payments of $500.00 per month.

Wells Fargo Bank. This claim consist of two leases one dated 03/06/2012 secured by a TCM FD35 Forklift. The Debtor will assume this lease and continue to pay the monthly lease of $681.39 plus applicable taxes. The second lease is dated 01/13/2015 and is secured by JCB 940 Lift Truck. The Debtor will assume this lease and will continue to make the monthly payments of $1,225.00 plus applicable taxes.

Penske Truck Leasing Co., LP: The Debtor has turned the vehicle in and will reject the lease.

5. <u>Are there any alternatives to the plan?</u>

The only alternative is liquidation under Chapter 7 or dismissal of this case. In a liquidation scenario, unsecured creditors will receive less then 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, which could substantially reduce the value of any distributions to creditors. Unsecured Creditors would receive at most the liquidation value of the non exempt and unencumbered assets which total $0.00 which would be much less then they will receive under this plan.

6. <u>Is there any risk that the plan might not succeed?</u>

There is some risk that the Debtors may not be able to fulfill the provisions of this plan. But the risk are minimal. If the Debtor's business continues at its current rate then there should be minimal risk. The Debtor believes that the business will grow and become stronger as the oilfield picks up.

7. <u>Are there any tax effects</u>?

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

Tax Effects to Creditors: ATC 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 ATC 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.

8. Please vote for this plan

ATC asks that creditors vote in favor of this plan.

RESPECTFULLY SUBMITTED

By: /s/ AMERICAN TANK COMPANY, INC.

By: /s/ William Vidrine

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