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**IN THE UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF WYOMING**

In re: )  
)  
MARMC TRANSPORTATION, INC. ) Case No. 10-20653  
) Chapter 11  
)  
Debtor-in-Possession. )

**AMENDED CHAPTER 11 DISCLOSURE STATEMENT**

The Debtor, Marmc Transportation Inc., (hereinafter “Marmc”) provides this disclosure statement to all of its known creditors and interest holders in connection with its chapter 11 plan.

**Purpose of Disclosure Statement.** Pursuant to Section 1125 of the Bankruptcy Code (11 U.S.C. §1125), Marmc is to submit this disclosure statement to the creditors, interest holders, and other parties in interest with adequate information so they will be able to make an informed judgment about the acceptability of the attached (Exhibit “A”) plan. The disclosure statement should contain sufficient information that would allow a hypothetical reasonable investor typical of the holders of claims and interests in the classes impaired under the plan to make an informed judgment to accept or reject the plan.

**Background of Marmc.** Marmc is a Wyoming corporation that was created in January 1989, and is in good standing with the Wyoming Secretary of State. While Mark Richardson is still listed as President of Marmc, he has not been involved in the active management of Marmc’s business affairs for over a year before the bankruptcy petition was filed (June 10, 2010). Since April 2010, Marmc’s Vice President, Cindy Richardson has managed Marmc’s day-

to-day business affairs. Marmc's principal business activity and purpose was moving oil drilling rigs and relocating to and from drilling and well sites. At its height, Marmc showed gross annual income of \$16,199,506 (2008) and had seventy-four employees on its payroll.

***Factors leading to the Chapter 11 filing.*** Beginning in 2009, a significant portion of Marmc's trucks and inventory were taken to Louisiana and/or Texas ostensibly for moving oil rigs, but little or no income was ever received from these trucks and trailers. Significant amounts of Marmc's income were diverted to non-business expenditures beginning in 2006. Also the oilfield economy suffered a significant downturn in 2009. Because of the ensuing cash flow problems and the management void, Marmc began defaulting on its various financial obligations, and creditor collection litigation commenced and tax liens accumulated. In order to avoid a chaotic dismemberment of Marmc by its creditors, a more orderly process maximizing the value of its assets was sought through Chapter 11 of the Bankruptcy Code.

***Operations in Chapter 11.*** Marmc, through various sales approved by the Bankruptcy Court, has sold almost all of its personal property, which sales resulted in total proceeds of over \$8,200,00.00. There is a pending sale for the remaining shop equipment, which is subject approval of the Court. A portion of the above sale proceeds have satisfied the lien claims of Wells Fargo Equipment Finance, Inc. (except for its attorney fees estimated at no more than \$25,000.00). Additionally, Marmc has received approval for the sale of two parcels of real property in the aggregate amount of \$711,173.00. \$995,000.00 was paid from the above sale proceeds against the remaining real estate mortgage held by Wells Fargo Bank. A three (3) year triple net lease for the remainder of Marmc's real estate has been entered into with Hemphill Trucking, Inc. This lease generates \$10,000.00 per month for Marmc. Employees of Marmc have been reduced from five at the beginning to one part-time paid employee. Marmc's

retirement program has been terminated. Post-petition taxes and insurance have been paid current.

**Management and Control.** Mark Richardson and Cindy Richardson own all of the stock in Marmc. Cindy Richardson has been involved in Marmc's operations off and on since its inception. Cindy Richardson has managed Marmc's operations since the case was filed.

**How the plan will be effectuated.** The funds necessary for the plan payments will derive from the sale proceeds already received, the real estate lease payments and the proceeds of the pending adversary proceedings.

**Financial Information.** A summary of Marmc's financial information from the filing date through July 31, 2010 is attached as Exhibit "B".

**Summary of Petition Date Assets and Liabilities.** Marmc's assets on the date of filing consisted of the following:

<b>Assets</b>	<b>Petition Date Value</b>
Commercial Real Property	\$1,600,000.00
Office Supplies and Equipment	\$ 15,750.00
Rolling Stock & Various Equipment	\$9,287,500.00
Shop Equipment/Tools	\$ 490,310.00
<b>Total</b>	<b>\$11,393,560.00</b>

Please contact counsel for Marmc if you wish to review a more detailed list of the assets (the actual schedules are filed with the court). Marmc has not had any of the property professionally appraised.

**Summary of Current Assets and Liabilities.** Marmc's current assets consist of the following:

<b>Assets</b>	<b>Petition Date Value</b>
Commercial Real Property	\$1,000,000.00

Shop Equipment/Tools	\$ 69,000.00
Bank Deposits	\$6,015,020.91
<b>Total</b>	<b>\$7,084,020.91</b>

***Liabilities.***

***Class One-Wyoming Department of Revenue.*** This creditor is a priority unsecured creditor. The Plan proposes to pay this creditor \$6,021.14 in satisfaction of its claim on the Effective Date of the Plan. This Class is impaired.

***Class Two-Wyoming Department of Employment, Employee Services.*** This creditor is a priority unsecured creditor. The Plan proposes to pay this creditor \$13,071.83 in satisfaction of its claim on the Effective Date of the Plan. This Class is impaired.

***Class Three-Wyoming Department of Employment, Workers Safety and Compensation Division.*** This creditor is a priority unsecured creditor. The Plan proposes to pay this creditor \$11,079.61 in satisfaction of its claim on the Effective Date of the Plan. This Class is impaired.

***Class Four-Natrona County Treasurer.*** This creditor is a priority unsecured creditor. The Plan proposed to pay this creditor \$13,615.68 in satisfaction of its claim on the Effective Date of the Plan. This Class is impaired.

***Class Five-Internal Revenue Service.*** This creditor will be paid as an priority unsecured creditor in the amount of \$655,763.97. This amount, plus interest at the statutory rate at the time of confirmation, will be paid on the effective date of confirmation. The remainder of this creditor's claim will be paid under Class 10. This Class is impaired.

***Class Six-Wells Fargo Equipment Finance, Inc.*** This creditor will be paid as a fully secured creditor in the estimated amount of approximately \$25,000.00; which represents this creditor's estimated attorney's fees and collection related expenses. This Class will be paid 30

days after the Court approves this creditor's application for attorney fees and expenses. This Class is impaired.

***Class Seven-Wells Fargo Bank, N.A.*** This Class will be paid on the Effective Date of the Plan as a fully secured creditor in the amount of \$117,977.51 (as of August 11, 2011) with interest thereon at the contract rate (7.25% per annum). This Class is impaired.

***Class Eight-Summit Electric.*** This Class asserts a judgment lien of \$33,361.88 against Debtor's real estate, which lien is avoidable under a novation theory due to the acceptance of a post-judgment promissory note. This Class also asserts an unsecured claim of \$2,239.96. Marmc will file an objection to the Claims. If Debtor's objection to the Claims is upheld, the allowed amount of its claims will be paid under Class 10 of the Plan. Marmc will maintain in its bank account the sum of \$33,361.88 pending resolution of the claims litigation. If the secured portion of the claim of this Class is allowed, the retained sum shall be paid to this Class with interest at the State of Wyoming Judgment Rate. This Class is impaired.

***Class Nine-Dave and Marcille Sundem.*** This Class asserts a judgment lien of \$159,611.62 against Marmc's real estate and proceeds held in escrow, which lien is avoidable under a novation theory due to the acceptance of a post-judgment promissory note. This claim is subject to a setoff in the amount of \$24,825.30 due to unpaid pre-petition amounts owed to Marmc. This Class also asserts an unsecured claim of \$4,778.33. If Marmc's objection to these claims is upheld, the allowed amount of its claims will be paid under Class 10 of the Plan. Marmc will continue to hold in a segregated bank account the sum of \$159,611.62 pending the outcome of the Claims objection, which will be paid to this Class in satisfaction of the secured portion of this claim if allowed by the Court along with interest at the State of Wyoming Judgment Rate. This Class is impaired.

***Class Ten-Unsecured Claims.*** The claims filed and/or listed in the Schedules for this Class total \$2,420,617.00. Many of these claims are or will be subject to objections, the resolution of which will likely extend beyond the Effective Date of the Plan. The Debtor anticipates the Plan will pay 100% of the allowed unsecured claims. This will be accomplished by an initial distribution of \$1,250,000.00 on the Effective Date of the Plan. This initial distribution is anticipated to satisfy almost 90% of the undisputed and allowed unsecured claims in this Class. The next distribution will occur after Debtor's 2011 tax liabilities are determined and paid, which distribution to this Class is anticipated to satisfy the remaining amounts owed on the unpaid allowed unsecured claims. The other claims in this Class will be paid within 30 days after the final resolution of said claims by this Court and any appeals.

***Chapter 7 Liquidation Analysis.*** In the event of a liquidation under Chapter 7, it is quite probable that the unsecured claims would receive less than through the Plan due to the increased administrative costs associated with hiring new counsel for the estate as well as the Chapter 7 Trustee commission. Further it is doubtful that the Chapter 7 Trustee can achieve the same results in the pending claims and accounts litigation due to the likely unavailability or lack of cooperation from crucial witnesses.

The Chapter 7 trustee is paid on the following distributions:

0-\$5,000	25%
\$5,000-50,000	10%
\$50,000-1,000,000	5%
Above \$1,000,000	3%

***Administrative Claims.*** The administrative claimants consist of the estate's attorney, Winship & Winship, P.C. and the United States Trustee for future quarterly fees. This law firm was paid a \$22,000.00 pre-petition retainer (and the filing fee). Counsel estimates that if the disclosure statement and plan are approved his post-petition fees and expenses will total an

estimated additional \$63,000.00. Cindy Richardson has been allowed administrative expense reimbursement of \$18,750.00. Marmc is current on its other administrative expenses including the quarterly fees to the United States Trustee and will pay all fees required by law. (See also “Tax Consequences” below.) It is also estimated that the IRS will be owed approximately \$2 million as a result of the post-filing sales described above. Kruse Energy and Equipment, LLC is also claiming \$300,000.00, which is being contested by Marmc.

***Alternatives to Plan.*** The management of Marmc intends to liquidate its assets. As detailed above in the “Chapter 7 Liquidation Analysis”, a conversion to Chapter 7 is unlikely to result in more repayment to the creditors than proposed in the Plan. To dismiss the case would very likely allow for a disorganized dismantlement of the assets of estate by the judgment and secured creditors resulting in a much diminished return to unsecured creditors compared to their treatment in the Plan.

***Risk Factors.*** The Plan contemplates disbursement of almost \$4 million from the accumulated asset sales. Full payment of Class 10 is dependent on the outcome of the below described litigation and claims objection.

***Existing Management and Proposed Compensation.*** Cindy Richardson will continue to oversee the limited operations of Marmc. Ongoing wages are anticipated to be paid at \$4,000.00 per month to the remaining staff until the Plan is fully consummated.

***Executory Contracts (Leases).*** Marmc will assume its real estate lease agreement with Hemphill Trucking LLC.

***Pending Litigation.*** Marmc has filed several adversary proceedings to collect on unpaid accounts receivable or other amounts owing to it. One of these proceedings is against Monster Heavy Haulers for its unpaid use of the trucks and trailers that “disappeared” in 2009. Contested

matters are ongoing in the Bankruptcy Court regarding objections to the claims Marmc has filed by Commerce Bank and Trust, Co. and Fremont Aviation, LLC. Other Claim Objections are anticipated to be filed. Kruse Energy and Equipment, LLC filed an adversary proceeding in the Bankruptcy Court against Marmc on September 26, 2011 alleging breach of contract and “promissory fraud” arising from an unsigned auction contract relating to the sale of some of Marmc’s rolling stock. Kruse seeks damages to be recovered in the amount of \$300,000.00 and an unspecified amount of punitive damages. This suit in its initial stages, and absent settlement, will likely take through most of 2012 to reach its conclusion.

***Tax Consequences.*** Marmc is anticipating Federal income tax liability of approximately \$2 million as a result of the asset sales consummated in 2011. You are urged to confer with your own tax advisor regarding the tax aspects of the plan upon you.

***Preference and other related litigation.*** Marmc does not anticipate commencing any litigation after Plan confirmation other than that dealing with claim issues. Marmc reserves the right to pursue such actions within the applicable statute of limitations.

***Voting Procedures.*** After the approval of this disclosure statement, Marmc will mail a voting ballot with the plan and the approved disclosure statement. Creditors and interest holders with “impaired” claims are entitled to vote. A claim is impaired if the principal, interest, length of time for payment, or a combination of these is changed. The holder of an unimpaired claim is conclusively presumed to have accepted the plan and the solicitation of acceptances from holders of the unimpaired claims is not required and will not be undertaken. Under Marmc’s plan all unsecured claims are impaired. All creditors and interest holders entitled to vote on the plan may cast their vote by completing, dating, and signing the Ballot included with this disclosure statement and mailing it to: Stephen R. Winship, PO Box 548, Casper, WY 82602.



IN ORDER TO BE COUNTED, THE COMPLETED BALLOT MUST BE RECEIVED NO LATER THAN \_\_\_\_\_. A BALLOT DOES NOT CONSTITUTE A VALID PROOF OF CLAIM IN MARMC' CASE.

***Confirmation of the Plan.*** Following the approval of this disclosure statement, the United States Bankruptcy Court for the District of Wyoming (Honorable Peter J. McNiff presiding) will hold a hearing to determine whether or not the reorganization plan should be confirmed. At the confirmation hearing, the court must determine whether or not the plan complies with 11 U.S.C. §1129. Among other things, the court must determine whether or not the plan has been accepted by each impaired class. Under 11 U.S.C. §1126(c), an impaired claim is deemed to have accepted the plan if at least 2/3s in amount and 1/2 in number of all allowed claims of class members actually voting have voted in favor of the plan. An impaired class is deemed to have accepted the plan if at least 2/3s in amount of the allowed interests have accepted the plan. Further, under 11 U.S.C. §1129(a)(7)(A)(ii) the court must find that each member of an impaired class will receive or retain more than if Marmc were liquidated. This is known as the “best interest of creditors” test.

***Confirmation of the Plan without the creditor’s consent—Cram Down.*** The plan may be confirmed even if it is not accepted by all impaired classes, if the court finds that the requirements of 11 U.S.C. §1129 are satisfied and certain other conditions are met. If the plan is not accepted by the impaired creditors or classes, Marmc will rely on the “cramdown provisions” of 11 U.S.C. §1129(b) and seek confirmation of the plan. Generally, the Marmc must show that the plan does not discriminate unfairly and that the plan is fair and equitable with respect to each class of claims or interests that is impaired under and has not accepted the plan. In order to be fair and equitable, as required by 11 U.S.C. §1129(b) of the Bankruptcy Code, the

plan must provide that creditors and interest holders in non-consenting, impaired classes will either retain or receive on account of their claims or interests, property of a value, as of the effective date of the plan at least equal to the value of such claims or interests, or if they receive less than full value, no class or junior priority will receive or retain anything on account of such junior claim. The plan must also comply with the absolute priority rule if the creditors reject the plan. These are complex statutory provisions and this summary is not intended to be a complete statement of the law.

***Disclaimers.*** NO REPRESENTATIONS ABOUT MARMC, PARTICULARLY ABOUT MARMC'S FUTURE OPERATIONS OR THE VALUE OF ITS PROPERTY, ARE AUTHORIZED BY MARMC OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE AN ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY A CREDITOR OR INTEREST HOLDER. ANY ADDITIONAL REPRESENTAION OR INDUCEMENT SHOULD BE REPORTED TO COUNSEL FOR MARMC OR TO THE UNITED STATE TRUSTEE (308 West 21st Street, Room 203, Cheyenne, WY 82001 307-772-2790).

The information contained in this disclosure statement has not been subject to a certified audit. Marmc may not warrant or represent that all information in this disclosure statement is complete and accurate, although every reasonable effort has been made to provide complete and accurate information. Approval of the disclosure statement is not equivalent to a recommendation by or a finding by the court that Marmc's plan should be confirmed.

You are urged to confer with your own counsel and a tax advisor about the plan and disclosure statement.

DATED this 8<sup>th</sup> day of December, 2011.

Respectfully submitted,  
MARMC TRANSPORTATION, INC.

By:

  
Cindy Richardson, Vice President

By:

  
Stephen R. Winship  
Marmc's Counsel