

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)**

In re:	:	
CRYSTAL ENTERPRISES, INC.,	:	Case Number 16-22565
Debtor	:	Small Business Case Under Chapter 11
	:	
	:	

**CRYSTAL ENTERPRISES, INC.,’S
PLAN OF REORGANIZATION, DATED 10/26/2017**

**ARTICLE I
SUMMARY**

This Plan of Reorganization (the “Plan”) under Chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of Crystal Enterprises (the “Debtor”) from January 1, 2018 through to December 31, 2024.

This Plan provides for a total of seven (7) classes, to wit: two (2) classes of Secured Claims; two (2) classes of Priority Unsecured Claims; one (1) class of General Unsecured Claims; and two (2) classes of Equity Security Holders. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately fifteen cents (\$0.15) on the dollar. This Plan also provides for the payment of administrative and priority claims. All Administrative Claims will be paid in full on the effective date of this Plan.

There are two (2) Priority Tax Claims provided under this Plan. Priority tax claims are unsecured income, employment, and other taxes described by §507(a)(8) if

the Code. Unless the holder of such a §507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The Internal Revenue Service (IRS) priority tax claim shall be paid in full through equal monthly installments with interest at three percent (3%) per annum concluding with a final payment no later than sixty [60] months from the date the Plan of Reorganization is confirmed. The priority tax claim of Prince Georges County (PGC) shall be paid in full through equal monthly installments with interest at twenty percent (20%) per annum concluding with a final payment no later sixty [60] months from the date the Plan of Reorganization is confirmed.

All creditors and equity security holders should refer to Articles III through VI of this Plan of information regarding the precise treatment of their claim. A Disclosure Statement that provides more detailed information regarding this Plan and the right of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II **CLASSIFICATION OF CLAIMS AND INTERESTS**

Claims are classified for all purposes, including voting, confirmation and distribution pursuant to this Plan, as follows:

- 2.01. Class 1. Secured Claim Pursuant to § 506(b) of the Code.

The Class 1 Secured Claim of Strategic Funding Source, Inc., secured by UCC Purchase of Sale of Future Receivables and UCC Financing Statement filed with the Maryland Department of Assessment and Taxation in the approximate amount of \$295,516.00. This is a Secured Claim pursuant to § 506(b), for which interest has accrued and shall continue to accrue from the Petition Date on the outstanding principal amount. The holder of the Class 1 Claim will be paid without the interest which shall accrue from the Petition Date through the Effective Date. Payments shall be made in the amount of \$4,925.27 per month for sixty (60) months. Payments will begin during month 1 through month 60. The Class 1 Claim is impaired and the holder of the Class 1 Claim is entitled to vote to accept or reject the Plan.

2.02. Class 2. Secured Claim Pursuant to § 506(b) of the Code.

The Class 2 Secured Claim of U.S. Foods in the approximate amount of \$177,076.59 which is secured by a UCC Financing Statement filed with the Maryland Department of Assessment and Taxation. This is a Secured Claim pursuant to § 506(b) for which interest has accrued and shall continue to accrue from the Petition Date on the outstanding principal amount of the U.S. Foods' Claim. The Class 2 Claim shall be paid without the interest which shall

accrue from the Petition Date through the Effective Date. Payments shall be made in the amount of \$2,951.28 beginning in month 1 through to month 60. The Class 2 Claim is impaired and the holder of the Class 2 Claim is entitled to vote to accept or reject the Plan.

- 2.03. Class3. Priority Unsecured Claim Pursuant to §507(a)(2) of the Code.

The Class 3 Claim of Dairy Maid Dairy, LLC, a priority unsecured claim pursuant to §507(a)(2) in the amount of \$14,411.88. The holder of this Class 3 Allowed Priority Claim shall receive sixty (60) monthly payments in the amount of roughly \$240.20 Payments will begin on the date the Plan of Reorganization is confirmed. The Class 3 Claim is not impaired under this Plan, and thus the holder of the Class 3 Claim is deemed to have accepted this Plan. The holder of the Class 3 Claim is not entitled to vote on the Plan.

- 2.04. Class 4. Priority Unsecured Claim Pursuant to § 507(a)(2) of the Code.

The Class 4 Claim of Sue LaCaprucia, (Sue LaCaprucia vs. Crystal Enterprises) a priority unsecured claim pursuant to § 507(a)(2)(4)(5) in the amount of \$110,000.00. The holder of this Class 4 Allowed Priority Claim shall receive sixty (60) monthly payments in the amount of roughly \$1,833.33. Payments will begin on the date the

Plan of Reorganization is confirmed. The Class 4 Claim is impaired under this Plan. The holder of the Class 4 Claim is entitled to vote on the Plan.

2.05. Class 5. Unsecured Claims Pursuant to §502 of the Code.

All unsecured claims allowed under §502 of the Code. General unsecured claims are not secured by property of estate and are not entitled to priority under the Code. Class 5 consists of all non-priority unsecured Claims against the Debtor. For the first five (5) years of the plan, \$289,543.03 or 19% of the total allowed unsecured claims. The last two (2) years of the plan, \$404,371.92 or 26% of the total allowed unsecured claims. Class 5 will receive approximately \$693,914.95, or 45% of the total unsecured debts, of \$1,542,033.23. Distribution on Allowed Unsecured Claims in Class 5 shall be in full, complete, and final satisfaction, payment, and discharge of the Allowed Unsecured Claim. **See Exhibit 9.**

2.06. Class 6.

Equity interests of Saundra Thurman Custis. Mrs. Custis is an equity holder with an impaired claim of \$300,000.00. The Equity interest holders of the Debtor will contribute an aggregate amount of \$38,000.00 to the Plan, and thus shall retain their interests in the Debtor. The interest holders are deemed to accept the plan.

2.07. Class 7.

Equity interest of Dwight Custis. Mr. Custis has an impaired claim of \$104,000.00. The Equity interest holders of the Debtor will contribute an aggregate amount of \$38,000.00 to the Plan, and thus shall retain their interests in the Debtor. The interest holders are deemed to accept the plan.

ARTICLE III

**TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, U.S.
TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.01. Unclassified Claims. Under section §1123(a)(1), administrative expense claims,["gap" period claims in an involuntary case allowed under §502(f) of the Code,] and priority tax claims are not in classes.

3.02. Administrative Expense Claims. Each holder of an administrative expense claim allowed under §503 of the Code [, and a "gap" claim in an involuntary case allowed under §502(f) of the Code,] will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.03. Priority Tax Claims. Each holder of a priority tax claim will be paid in full, including requisite and applicable rates of interests, during Months 1-60 from the date the Plan of Reorganization is confirmed, in regular installments and consistent with §1129(a)(9)(C) of the Code.

Class	Impairment	Treatment
Internal Revenue Service (IRS) <i>(Claim-4)</i>	\$326,516.00 Unimpaired	IRS Priority Tax Claim will be paid in full, in cash, upon the later of the effective date of this Plan as defined in Article VII, or the date on which such claim is allowed by a final non-appealable order. The IRS Priority Tax Claim shall be paid in full through equal monthly installments with interest at 3% per annum concluding with a final payment no later than sixty [60] months from the date the Plan of Reorganization is confirmed. The monthly payment to be made to the IRS shall equal \$5,441.93 per month plus interest of \$163.26 until paid in full. Months 1-60
Prince George's County, Maryland (PGC) <i>(Claim-10)</i>	\$3,270.14 Unimpaired	PGC Priority Tax Claim will be paid in full, in cash, upon the later of the effective date of this Plan as defined in Article VII, or the date on which such claim is allowed by a final non-appealable order. The PGC Priority Tax Claim shall be paid in full through equal monthly installments with interest at 20% per annum concluding with a final payment no later than sixty [60] months from the date the Plan of Reorganization is confirmed. The monthly payment to be made to the PGC shall equal \$54.50 with interest of \$10.90 per month until paid in full. Months 1-60

3.04. United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.01. Claims and interests shall be treated as follows under this Plan:

<p style="text-align: center;"><u>Class 1- Secured Claim</u></p> <p>Strategic Funding Source, Inc., UCC Purchase of Sale of Future Receivables <i>(Claim-7)</i></p>	<p>\$295,516.00 Impaired</p>	<p>Strategic Funding Source, Inc., holds an Allowed Secured Claim in the approximate amount of \$295,516.00 which is secured by a UCC Financing Statement filed with the Maryland Department of Assessment and Taxation. Pursuant to §506(b) of the Bankruptcy Code, interest has accrued and shall continue to accrue from the petition date on the outstanding principal amount of Strategic Funding Source, Inc.' claim. The Allowed Secured Claim shall be paid without the interest that shall accrue from the Petition Date through the Effective Date. Payments shall be made in the amount of \$4,925.27 per month for sixty (60) months. Subject to the effect of any Senior Lien holders, Strategic Funding Source, Inc.' security interests in and liens shall continue after confirmation of the Plan and the Effective Date.</p> <p>Payments will be made from Months 1-60, with payments to end Month 60.</p>
<p style="text-align: center;"><u>Class 2-Secured Claim</u></p> <p>U.S. Foods UCC Financing Statement Filed with Maryland Department of Assessment and Taxation <i>(Claim-23)</i></p>	<p>503(b)(9) claim \$69,408.41</p> <p>Collateral description=UCC Purchase of Sale of Future Receivables/PACA \$43,200.76</p> <p>Allowed Secured Amount = \$177,076.59</p>	<p>U.S. Foods holds an Allowed Secured claim in the approximate amount of \$177,076.59, which is secured by a UCC Financing Statement filed with the Maryland Department of Assessment and Taxation. Pursuant to §506(b) of the Bankruptcy Code, interest has accrued and shall continue to accrue from the petition date on the outstanding principal amount of U.S. Foods' claim. The Allowed Secured Claim</p>

		<p>shall be paid without the interest which shall accrue from the Petition Date through the Effective Date. Payments shall be made in the amount of \$2,951.28 per month for seven four (74) months. Subject to the effect of any Senior Lien holders, U.S. Foods security interests in and liens shall continue after confirmation of the Plan and the Effective Date.</p> <p>Monthly Pmt- \$2,951.28</p> <p>Pmts Begin=Months 1-60</p> <p>Pmts End=Month 60</p>
<p><u>Class 3-Priority Unsecured</u></p> <p>Dairy Maid Dairy, LLC Claim pursuant to Section 507(a)(2) <i>Claim-9</i></p>	<p>\$14,411.88 Unimpaired</p>	<p>Each holder of an Allowed Priority Claim shall receive sixty (60) monthly payments in the amount of roughly \$240.20</p> <p>Months 1 to 60</p>
<p><u>Class 4-Priority Unsecured</u></p> <p>Sue LaCaprucia vs. Crystal Enterprises Claim pursuant to §507(a)(2)(4)(5)</p>	<p>\$110,000.00 Impaired</p>	<p>Each holder of an Allowed Priority Claim shall receive sixty (60) monthly payments in the amount of roughly \$1,833.33</p> <p>Months 1-60</p>
<p><u>Class 5 - General Unsecured Claims</u></p>	<p>See Exhibit 9, Creditor Payment Plan for amounts of each unsecured claim.</p>	<p>See Exhibit 9 for the payment distribution under the plan. Unsecured creditors are paid 19% beginning on the Plan's effective date for months 1 - 60 and 26% for months 61-84.</p>
<p><u>Class 6 - Equity Security Holders of the Debtor</u></p> <p>Saundra Thurman Custis</p>	<p>\$300,000.00 Impaired</p>	<p>No Payments</p>
<p><u>Class 7 - Equity Security Holders of the Debtor</u></p>		

Dwight Custis	\$104,000.00 Impaired	No Payments
---------------	--------------------------	-------------

ARTICLE V
ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01. Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed [by a final non-appealable order], and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.02. Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed [by a final non-appealable order].

5.03. Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01. Assumed Executory Contracts and Unexpired Leases.

The Debtor currently maintains six (6) lucrative government contracts of which they will be assuming all of them:

Owner of Contract	Description of Job	Contract Number & Total Value
(1) Department of Transportation Merchant	Food Services	DTMA-91-C-2013-0011 \$17.8 Million

Marine		
(2) U.S. Department of the Army GA National Guard	Food Services	W912JM-15-C-0002 \$1,320,000.00
(3) U.S. Department of the Army Madigan (WA)	Staff Augmentation	W81K02-17-T-0044 \$2,460,000.00
(4) Prince George's County Evening Reporting Centers	Catered Meals	PGC01134 \$150,000.00
(5) Federal Reserve	Food Service Auditing	201600606 \$54,000.00
(6) Seaferer	Retail Sales	\$1.2 Million

(a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the effective date of this Plan as provided in Article VII, the date of the entry of the order confirming this Plan, or other applicable date:

- (i) Month to Month Lease to Crystal Maids of a 2012 Toyota Scion. VIN#JTLZE4FE3CJ0155536;
- (ii) Month to Month Lease to Crystal Maids of a 2012 Toyota Scion. VIN#JTLZE4FE0CJ016026;
- (iii) Month to Month Lease to Crystal Maids of a 2012 Toyota Scion. VIN#JTLZE4FE3CJ016159;
- (iv) Month to Month Lease to Crystal Maids of a 2012 Toyota Scion. VIN#JTLZE4FE3CJ022936;
- (v) Debtor currently maintains a rental contract with its affiliated/insider company, The Levi Group, for the rent/lease of real property, located at 10837 Lanham-Severn Road, Glenn Dale,

Maryland 20769. Under the terms of the lease between the parties, Debtor pays The Levi Group \$5,200.00 per month as rent of the building used by the Debtor for its corporate headquarters.

- (vi) Open and active Bid on Government Contracts in perpetuity for an indefinite term with The Principle Group, LLC., P.O. Box 436, Glenn Dale, MD 20769.

(b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan, “upon the effective date of this Plan,” “the date of the entry of the order confirming this Plan,” or other applicable date. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than three (3) days after the date of the order confirming this Plan.

ARTICLE VII **MEANS FOR IMPLEMENTATION OF THE PLAN**

7.01. The Plan will be funded through (i) Cash on Hand as shown in attached *EXHIBIT 11 of the Disclosure Statement*, as well as through (ii) net monthly cash balance as shown in the Projected Financial Statement attached as *EXHIBIT 12 of the Disclosure Statement* and through (iii) Accounts Receivables as shown in *EXHIBIT 13 of the Disclosure Statement*. The Debtor’s aforementioned sources of income are sufficient to fund the consecutive monthly disbursement requirements outlined in this Plan.

Debtor in consultation with Debtor's attorney, and accountants have thoroughly examined and made this determination of feasibility. Debtor's CEO Sandra Thurman Custis will continue to serve in her current capacity with Debtor subsequent to this reorganization. Other officers and or directors who are currently serving Debtor, as show in attached *EXHIBIT 2* of the *Disclosure Statement*, will continue to serve in their individual capacities subsequent to the reorganization.

ARTICLE VIII GENERAL PROVISIONS

8.01. Definitions and Rules of Construction. The definitions and rules of construction set forth in §§101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

8.02. Effective Date of Plan. The effective date of this Plan is the first business day following the date that is fourteen days after the entry of the order of confirmation. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

8.03. Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04. Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05. Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06. Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Maryland govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

8.07. Business Decisions. The Debtor shall be responsible for making all business decisions necessary and consistent with consummating the Plan. Without limitation, the Debtor will retain the following duties: (a) to review the Proofs of Claim and decide whether any objections shall be filed; (b) distribute funds to holder of Allowed Claims consistent with the terms of the Plan; and (c) file a final report and move to close the Debtor's Chapter 11 case.

8.08. Retained Rights and Powers. Upon confirmation of the Plan, the Debtor shall retain all of its rights and powers under the Bankruptcy Code, including, but not limited to , the right to prosecute all Avoidance and other causes of actions and all other rights and powers under §§ 505, 506, 541, 542, 543, 544, 547, 548, 549, 550, and 553 of the Bankruptcy Code.

8.09. Professionals. Professional Persons who perform services after the Confirmation Date shall not be subject to the Administrative Bar Date, and are not required to have their post confirmation compensation approved by the Court, but shall be required to have their requests or compensation through the Confirmation Date approved by the Court.

8.10. Distributions. Distributions to holders of Allowed Claims shall be made: (a) to the address set forth on the respective Proof of Claim filed by each such holder; (b) to the address set forth in any subsequent written notice of change of address filed with the Court and served on the Debtor; or (c) to the address reflected in the Schedules if no Proof of Claim or notice of change of address is filed.

8.11. Corporate Governance. Debtor is a corporation and/or a corporation pursuant to § 1123 of the Code as referred to in paragraph (5)(B) or (5)(C) of this subsection and therefore pursuant to § 1123 (a)(6) of the Code Debtor must provide for the inclusion in the charter of the debtor, a provision prohibiting the issuance of nonvoting equity securities, and providing, as to the several classes of securities possessing voting power, an appropriate distribution of such power among such classes, including, in the case of any class of equity securities having a preference over another class of equity securities with respect to dividends, adequate provisions for the election of directors representing such preferred class in the event of default in the payment of such dividends where applicable.

ARTICLE IX
DISCHARGE

9.01. Discharge. On the confirmation date of this Plan, the Debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the effective date, to the extent specified in § 1141 (d)(1)(A) of the Code, except that Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in § 1141(d)(6)(B).

October 26, 2017

Respectfully submitted,
/s/ Rowena N. Nelson
Rowena N. Nelson, Federal Bar # 28212
Law Office of Rowena N. Nelson, LLC.
1801 McCormick Drive, Suite 150

Largo, Maryland 20774
301.358.3271 Phone
877.728.7744 Facsimile
information@rnnlawmd.com Email
Counsel for Crystal Enterprises, Inc.