

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In re:

The Yoga Center, LLC,

Debtor.

BKY 17-42115-KAC

Chapter 11

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**THE YOGA CENTER, LLC'S DISCLOSURE STATEMENT**

**1. INTRODUCTION AND PRELIMINARY MATTERS**

This Disclosure Statement dated December 27, 2017 (the "Disclosure Statement"), is submitted by The Yoga Center, LLC ("Debtor"). The Disclosure Statement contains information about the Debtor and describes the Debtor's Plan of Reorganization dated December 27, 2017 and filed by the Debtor on December 29, 2017 (the "Plan"). A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. The Debtor is seeking confirmation of the Plan. The Disclosure Statement is intended to provide you with adequate information to enable you to make an informed decision on whether to vote for or against the Plan.

The Debtor filed for relief under Chapter 11 of the United States Bankruptcy Code on July 13, 2017 with the intention of reorganizing its debts. The Plan is intended to implement the Debtor's reorganization of its business and finances. The Plan provides for the reorganization of the Debtor's business and the payment of the claims of creditors. The Debtor believes that the Plan complies with all of the requirements of the Bankruptcy Code and that it should be confirmed by the Court.

**Purpose of This Document**

This Disclosure Statement is provided to creditors to provide them with information relevant to the Plan and to enable creditors to make informed decisions concerning their vote on the Plan. Parts of the Plan are incorporated into this Disclosure Statement, and a copy of the Plan is included in this voting packet. Capitalized terms used in this Disclosure Statement shall have the meanings ascribed to them in the Plan or in the Bankruptcy Code unless the context requires otherwise.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

The Court has entered an order setting the date of the hearing on confirmation of the Plan, and establishing the deadline for the submission of ballots casting votes for or against the Plan. A copy of the order is included in the materials accompanying this Disclosure Statement. You may vote for the Plan by completing the enclosed ballot and mailing it to the Clerk of the United States Bankruptcy Court, 301 U. S. Courthouse, 300 South Fourth Street, Minneapolis, MN 55415, in time for it to be RECEIVED not later than the date set forth in the Court's Order, a copy of which is attached. Ballots that are not submitted timely will not be counted. At the confirmation hearing the Court will determine whether a sufficient number of creditors have accepted the Plan, and whether to confirm the Plan.

Section 1129 (a) of the Code imposes certain conditions for the confirmation of a plan of reorganization. These conditions include the requirement that all classes of claims and interests have accepted the plan or are not impaired. Section 1129 also establishes the number and dollar amount of claims that must vote in favor of a plan in order for a class to have accepted the plan. In the event that one or more classes rejects the Plan, the Bankruptcy Court may nevertheless confirm the Plan if the Bankruptcy Court finds that the Plan affords fair and equitable treatment to the class rejecting it. This means that, pursuant to 11 U.S.C. §1129(b), the Plan may be confirmed even if a class of claims or interests rejects it so long as the Plan provides that (1) each holder of a claim or interest in the rejecting class receives the value of that claim or interest; or (2) no holder of a claim or interest junior to those held by members of the rejecting class will receive or retain value under the Plan. **The Debtor reserves the right to seek confirmation under 11 U.S.C. §1129(b).** (These statements are intended only to briefly summarize the requirements for confirmation that are established in § 1129. The proponent of a plan must meet all of the applicable conditions set forth in this section of the Code in order to obtain confirmation of a plan of reorganization. These statements do not address all of the applicable conditions and criteria for confirmation; and creditors are urged to consult with their counsel and advisors, and to review the applicable provisions of the Code independently.)

Debtor's Disclosure Statement is furnished pursuant to § 1125 of the Bankruptcy Code and is furnished to provide all persons known to have claims against Debtor with sufficient information to permit them to make an informed judgment as to their votes on whether to accept or reject the Plan. No representations concerning the Debtor, particularly as to its future business operations, the value of its property or the value of any notes to be issued under the Plan, other than those set forth in this Disclosure Statement, are authorized by the Debtor. ANY REPRESENTATION OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE WHICH ARE OTHER THAN THOSE IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO THE DEBTOR OR TO THE UNITED STATES TRUSTEE, WHO, IN

TURN, SHALL DELIVER THIS INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

The financial information contained in this Disclosure Statement has been provided by the Debtor but has not been independently reviewed or audited. All statements concerning financial data are made in good faith and are intended to be as complete and as accurate as possible within these limitations. Neither the Debtor nor its counsel are aware of any inaccuracies.

### **Deadline for Objecting to the Confirmation of the Plan**

The Court Order approving this Disclosure Statement sets a deadline for objections. Objections to the confirmation of the Plan must be filed with the Court and served upon Debtors' Counsel, Michael J. Sheridan, Esq., 7900 International Drive, Suite 300, Bloomington, MN 55425, and other parties in interest by the appropriate deadline and in accordance with the Applicable Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the District of Minnesota. Generally, objections must be served and filed electronically through the CM/ECF system.

### **Contact for More Information**

If you want additional information about the Plan, you may contact, the Debtor's attorney, Michael J. Sheridan, Esq., 7900 International Drive, Suite 300, Bloomington, MN 55425; telephone: 763-229-7538; email: [msheridan@atlasfirm.com](mailto:msheridan@atlasfirm.com).

## **2. DEFINITIONS**

The definitions set forth in the Plan are used in this Disclosure Statement.

## **3. NATURE AND HISTORY OF THE DEBTOR'S BUSINESS**

### **A. Description and History of the Debtor's Business**

Debtor is a yoga instruction studio with annual gross revenue of \$1.6 million in 2016. The business has three revenue streams: yoga class instruction, yoga teacher education, and retail sales of clothing, equipment and décor. In late 2016, Debtor moved into a new leased space in Minneapolis. As a result of the funds expended on the build-out of the new space, Debtor incurred short-term loans to assist with operating expenses. Debtor projected increased revenue from the new space and believed the increased revenue would permit Debtor to meet all debt obligations. Shortly after moving into the new Minneapolis space, flooding from an apartment over the leased space caused water damage temporarily halting Debtor's business operation at the Minneapolis location and requiring Debtor to expend funds for water-damage repairs. At the time of filing, Debtor

operated two studio locations: St. Louis Park and Minneapolis. Debtor also had off-site leases across greater Minnesota, Wisconsin and North Dakota for temporary studio use at other yoga studios.

**B. Insiders of the Debtor**

Neil Riemer, owner and president of the Debtor is an insider as defined in §101(31) of the United States Bankruptcy Code (the “Code”). Neil Riemer was paid the following compensation paid by the Debtor or its affiliates during the two years prior to the commencement of the Debtor’s bankruptcy case and during the pendency of this Chapter 11 case.

<u>Insider</u>	<u>Amount Paid</u>	<u>Dates Paid</u>	<u>Reason for payment</u>
Neil Riemer	\$7,358.35	July 2015 - June 2016	Payment of Owner’s insurance, vehicle lease and business travel expenses.
Neil Riemer	\$ 109,390.41	July 2016 - July 2017	Payment of credit cards in Owner's name used for business expenses.
Neil Riemer	\$30,877.04	July 2017 - present	Salary
Sharmane Riemer (spouse)	\$42.00	July 2017 - present	Salary

**C. Management of the Debtor Before and During the Bankruptcy**

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (the “Manager”) was Neil Riemer. Neil Riemer continues to be the Manager of the Debtor during the Debtor’s Chapter 11 case.

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (the “Post Confirmation Manager”), will be Neil Riemer. The responsibilities and compensation of these Post Confirmation Managers are described in section 9 of this Disclosure Statement.

**4. CIRCUMSTANCES LEADING TO THE BANKRUPTCY FILING**

The new space in Minneapolis did not meet revenue projections and Debtor was unable to meet the payment terms of the short-term loans and continue to meet operating expenses. As a condition of the short-term loans, Debtor authorized the three short-term lenders (Kings Cash Group, LLC; Can Capital Asset Servicing, Inc. & Forward

Financing, LLC) to receive ACH payments directly from Debtor's operating bank account each business day and assigned a security interest in Debtor's receivables. Debtor began to default on its lease payments in order to meet payroll expenses and continue payments to the short-term lenders.

In May 2017, Debtor took steps to stop the automatic payments to the short-term lenders and began settlement discussions with each lender to attempt to increase the term of each loan and thereby reduce the amount of the recurring payments. During this time, Debtor also began negotiating the settlement of a default under the St. Louis Park lease.

In June 2017, Kings Cash Group contacted Debtor's credit card processing merchant and froze the funds being held by the merchant from purchases made in Debtor's studios. Debtor eventually negotiated a release of a portion of the funds with Kings Cash Group. However, the interruption to Debtor's already strained cash flow caused additional difficulty for Debtor to meet payroll and other operating expenses. As a result, Debtor began to fall behind on the negotiated settlement payments with the short-term lenders.

Fearing additional interruptions to cash flow by the short-term lenders, this case was filed before Debtor's credit card processing account could be frozen again. The filing of this case stayed the collections of the short-term lenders.

## **5. OPERATIONS DURING THE BANKRUPTCY CASE**

During the pendency of this Chapter 11 case, Debtor has tried to maintain its business affairs in the ordinary course. Revenue projections have not been met since the Chapter 11 case was filed. The two most significant factors affecting revenue are the unseasonably warm weather this fall and the performance of the Minneapolis location.

Debtor's peak season typically is between the months of October and April, when the weather cools and people tend to spend less time outdoors. The unseasonably warm fall has resulted in less classes booked and less retail sold from reduced foot traffic. Debtor believes that revenue will return to projected numbers this winter as people look for indoor activities. This will be especially true in January and February when people look to start new fitness routines.

Debtor will not be assuming the Minneapolis lease as the location has not met projections. Debtor believes the reduced revenue is a result of a number of condominiums in the surrounding area offering free yoga classes to their tenants as a competitive perk to attract buyers. The additional issue of warm weather has left Debtor unable to pay rent at the Minneapolis location. Debtor has attempted to negotiate a temporary rent reduction with the landlord, CFLP-Velo, Inc., and proposed to focus the Minneapolis location on retail sales in order to increase revenue and minimize employee

expense. However, Debtor and CFLP-Velo, Inc. were unable to reach an agreement. Debtor will consolidate its operation to the St. Louis Park location beginning in November 2017. By doing so, Debtor will be able to reduce overhead and payroll expenses and focus on growing business revenue at its most successful location.

### **Significant Events During the Bankruptcy Case**

The Debtor has prepared the monthly operating reports required by the United States Trustee and sat for the meeting of creditors required by § 341 of the Code. The Court has approved the employment of Michael J. Sheridan, Esq. as counsel for the Debtor. The Debtor stipulated with its senior secured creditor, Klein Bank, for the use of cash collateral and adequate protection. The stipulation was approved by the Court. The cash collateral was used by Debtor to meet operating expenses during a period of reduced revenue. The Debtor moved the Court for an extension of the deadline to assume or reject leases. The deadline has been extended to February 8, 2018.

### **Projected Recovery of Avoidable Transfers**

The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

### **Claims Objections**

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld.

### **Current and Historical Financial Conditions**

The identity and fair market value of the estate's assets are listed at paragraph 14. The valuation basis that was used was net book value and cost value where appropriate. The Debtor's most recent financial statements issued before bankruptcy, each of which was filed with the Court, are set forth in Exhibit B. The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case is set forth in Exhibit C. A summary of the Debtor's periodic operating reports filed since the commencement of the Debtor's bankruptcy case is set forth below.

### **Income and Expenses during the Case**

The following table shows the Debtor's income and expenses during the pendency of the case. The information set forth in the table is drawn from the Monthly Operating Reports filed with the U.S. Trustee.

	7/2017*	8/2017	9/2017	10/2017	11/2017	TOTAL
Income	58,883.24	129,941.64	122,347.86	110,859.53	124,185.21	546,217.48
Expense	49,830.02	109,372.00	118,532.83	131,648.52	136,374.96	545,758.33
Net	9,053.22	20,569.64	3,815.03	<20,788.99>	<12,189.75>	459.15

\*The case was filed on July 13, 2017, the July monthly operating report covers 7/13/17 through 7/31/17.

**6. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

**A. What is the Purpose of the Plan of Reorganization?**

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan. The Plan is based on the premise that Debtor will be able to maintain a profitable business by consolidating to the St. Louis Park location, thereby reducing overhead and payroll.

**B. Unclassified Claims: Description And Treatment**

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Debtor has *not* placed the following claims in any class:

(a) Priority unsecured tax claims entitled to priority pursuant to §507(a)(8) of the Bankruptcy Code include the claims of the United States Internal Revenue Service (“IRS”) (to the extent allowed). For the purposes of the Plan, these tax claims will include that portion of the IRS claim allowed by the court. These claims, as identified in the IRS’ amended proof of claim, are estimated to be approximately \$200.00, but that claim is disputed. The priority tax claim appears to be for payroll taxes due in December 2017. Debtor uses a payroll service and has made payroll distributions as required since the filing of the case. As such, the payroll taxes in the amount of \$200.00 have been paid. The Debtor will make such additional payments as may be necessary to assure that the tax priority claims are paid in full within five years of the date of filing.

(b) Administrative expenses entitled to priority pursuant to §503(d)(2) or §503(a) of the Bankruptcy Code excluding any claims included in any other class under the

Plan. These claims include attorneys' fees for the Debtor's attorneys as may be approved and awarded by the Court pursuant to §330(a) of the Code. The Debtor estimates administrative priority claims for professional persons will be approximately \$18,000 as of the date of confirmation. Allowed administrative expenses entitled to priority pursuant to §503(d)(2) of the Code shall be paid in full to the extent allowed by the Court, within 360 days from the Effective Date, from the Debtor's operating revenues, and from advance retainers paid by the Debtor to professionals.

(c) Administrative claims entitled to priority pursuant to §503(b)(1) of the Code. The Debtor estimates that there will be \$8,587.58 of current administrative payables due and owing, (consisting of employee compensation due as of the date of filing) which would be entitled to priority under §503(b)(1). All such claims shall be paid within 360 days of the Effective Date or when they come due in the ordinary course of business, whichever is later.

(d) United States Trustee fees and other court costs and fees assessed, or accessible pursuant to 28 U.S.C. §1930(a) and (b). The Debtor estimates that unpaid Trustee fees, court fees, and other fees assessable pursuant to these provisions, will be less than \$1,500 as of the date of confirmation. All such fees and expenses will be paid on the Effective Date from Debtor's income. Debtor shall continue to pay those fees authorized and assessed or otherwise payable in accordance with 28 U. S. C. § 1930, following confirmation until such time as this Chapter 11 case is closed, dismissed or converted. After confirmation of the Plan, the Debtor shall submit quarterly operating reports to the United States Trustee each quarter (or portion thereof) until this Chapter 11 case is closed, dismissed or converted. These reports shall be in the format prescribed by the United States Trustee.

### **C. Classified Claims: Description And Treatment**

#### **(a) Class 1: Secured Claims**

Class 1A consists of the allowed secured claim of Klein Bank.

A. Klein Bank holds a \$150,894.78 secured claim secured against substantially all of Debtor's assets, which were valued at \$157,784.63 as of the commencement of the case. Klein Bank holds a senior lien as its lien was perfected prior to the liens of Debtor's other secured creditors by the filing of a financial statement with the Secretary of State of the State of Minnesota on October 27, 2014. Pursuant to Order of this Court dated October 17, 2017 and a stipulation between Debtor and Klein Bank dated August 29, 2017, Debtor continued to use the cash-collateral for business operation in exchange for providing Klein Bank adequate protection by granting Klein Bank replacement liens in all post-



petition assets of Debtor having the same nature, type, quality and substance of the pre-petition collateral, excluding any causes of action Debtor may have under Chapter 5 of United States Bankruptcy Code. Debtor provided additional adequate protection by stipulating to interest only payments to Klein Bank payable September – December 2017. Klein Bank's secured claim is \$150,894.78 (Claim 14). This claim is impaired.

The Debtor will pay the Class 1A Secured Debt on a 5-year amortization at 5.5%, in monthly installments of \$2,871.00 beginning the 20th day of the first month following the Effective Date of the Plan, for a term of 60 months. Upon payment in full, the secured creditors will release their liens.

Class 1B consists of the allowed partially secured claims of Can Capital Asset Servicing, Inc. and Pawnee Leasing Corporation.

B. Can Capital Asset Servicing, Inc. holds a \$62,000 claim partially secured against substantially all of Debtor's assets. Can Capital Asset Servicing, Inc's lien was perfected after Klein Bank's lien but prior to the liens of Debtor's other secured creditors<sup>1</sup> by the filing of a financial statement with the Secretary of State of the State of Minnesota on October 31, 2016. All of collateral, except \$6,889.85, that secures Can Capital Asset Servicing, Inc's claim is encumbered by the perfected senior lien of Klein Bank. Therefore, this Plan treats any secured claim that Can Capital Asset Servicing, Inc. may claim as unsecured in the amount of \$55,110.15. The unsecured amount of Can Capital Asset Servicing, Inc's claim shall be treated as unsecured, non-priority claim. Can Capital Asset Servicing, Inc. has not filed a claim. This claim is impaired.

C. Pawnee Leasing Corporation holds a \$1,584.62 claim partially secured against the exterior building signs Debtor purchased from the creditor. Pawnee Leasing Corporation's lien was perfected after Klein Bank's lien but prior to the liens of Debtor's other secured creditors by the filing of a financial statement with the Secretary of State of the State of Minnesota on September 23, 2016. However, Pawnee Leasing Corporation's lien only extends to the signs that Debtor purchased from the creditor. Debtor estimates the value of the signs at \$292.00. Debtor intends to surrender the signs to Pawnee Leasing Corporation upon confirmation of this Plan in order to extinguish Pawnee Leasing Corporation's secured claim. Therefore, this Plan disregards any secured claim that Pawnee Leasing Corporation may claim. Any deficiency on Pawnee Leasing Corporation's claim shall be treated as unsecured, non-priority

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<sup>1</sup> The financing statement of Pawnee Leasing Corporation was filed prior to the financing statement of Can Capital Asset Servicing, Inc. However, the Pawnee Leasing Corporation lien extends only to the signs Debtor purchased from the creditor.

claim. Pawnee Leasing Corporation has not filed a claim. This claim is impaired.

The Debtor will pay the Class 1B Secured Debt on a 5-year amortization at 5.5%, in monthly installments of \$143.00 beginning the 20th day of the first month following the Effective Date of the Plan, for a term of 60 months. Upon payment in full, the secured creditors will release their liens.

**(b) Class 2: General Unsecured Claims.**

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. Additionally, a Plan may designate a separate class of claims consisting only of every unsecured claim that is less than or reduced to an amount that the Court approves as reasonable and necessary for administrative convenience.

Class 2 claims consists of all pre-petition, unclassified non-priority claims, except for those described in paragraphs 6(C)(b)(A) and 6(C)(b)(B) below, and includes the unsecured non-priority portion of any tax claim (if any), and the unsecured portion of any otherwise secured claims where the claim has been reduced to the current market value of the property in accordance with 11 U.S.C. §506 or otherwise disallowed by order of the court. These otherwise secured creditors have a security interest in the same collateral that is junior to the valid and perfected senior lien of Klein Bank. To the extent the otherwise secured creditors perfected their liens after Klein Bank, their secured claims are impaired as described in paragraphs 6(b)(A) and 6(b)(B).

- A. Kings Cash Group, LLC holds a \$180,669.19 claim unsecured by any of Debtor's assets. Kings Cash Group, LLC's lien was perfected after Klein Bank's and Can Capital Asset Serving, Inc's liens but prior to the liens of Debtor's other secured creditors by the filing of a financial statement with the Secretary of State of the State of Minnesota on May 25, 2017. All the of collateral that secures Kings Cash Group, LLC's claim is encumbered by the perfected liens of Klein Bank and Can Capital Asset Serving, Inc. Kings Cash Group, LLC has conceded as much by filing a proof of claim that does not claim a security interest in Debtor's assets. Therefore, this Plan treats any secured claim of Kings Cash Group, LLC as unsecured in the amount of \$180,669.19. Kings Cash Group, LLC's claim shall be treated as unsecured, non-priority claim. Kings Cash Group, LLC's unsecured claim is \$180,669.19 (Claim 5). This claim is impaired.
- B. Forward Financing, LLC holds a \$74,336.88 claim unsecured by any of Debtor's assets. Forward Financing, LLC's lien was perfected after Debtor's other secured creditors by the filing of a financial statement with the Secretary

of State of the State of Minnesota on May 30, 2017. All of the collateral that secures Forward Financing, LLC's claim is encumbered by the perfected liens of Klein Bank and Can Capital Asset Serving, Inc. Forward Financing, LLC has conceded as much by filing a proof of claim that does not claim a security interest in Debtor's assets. Therefore, this Plan treats any secured claim of Forward Financing, LLC as unsecured in the amount of \$74,336.88. Forward Financing, LLC's claim shall be treated as unsecured, non-priority claim. Forward Financing, LLC's unsecured claim is \$74,336.88 (Claim 7). This claim is impaired.

The Class 2 General Unsecured Claims are estimated to be in the amount of \$701,816.02. Class 2 General Unsecured Claims will also include the allowed unsecured portion of the claims of the Can Capital Asset Services, Inc. and Pawnee Leasing Corporation. Class 2 General Unsecured Claims will receive total distributions equal to \$203,552.90. Debtor shall make monthly distributions to unsecured creditors from the Debtor's operating revenue in monthly installments of \$1,018.74 per month, for a term of 12 months, then \$3,986.00 per month for a term of 48 months, with the first payment beginning the 20th day of the first month following the Effective Date of the Plan.

The Debtor shall make total distributions to holders of Class 2 Unsecured Claims in the minimum amount of \$203,552.90.

All distributions to holders of allowed Class 2 Claims shall be made on a pro-rated basis such that the distribution to any one holder shall be proportionate to the ratio of the holders' claim bears to the aggregate amount of allowed Class 2 Claims (individual distribution = amount of holder's allowed claim ÷ aggregate amount of allowed Class 2 Claims, multiplied by the total amount of the distribution).

The amount of distributions to holders of allowed Class 2 Claims shall be increased if during the term of the Plan, the Debtor's operating revenue significantly exceeds the amounts projected resulting in disposable income. In determining whether Debtor in fact has additional net disposable income, the Debtor may take into account any changes in its operating expenses, and the calculations that would apply under 11 U.S.C. §§ 707 (b) and 1325.

The Plan contemplates a return of approximately 29.0% to holders of Class 2 Unsecured Claims.

**(c) Class 3: Administrative Convenience Class.**

Class 3 claims consists of all non-priority unsecured claims whose claims are due to refunds due pursuant to Minn. Stat. § 136A.827(6). To the extent that Debtor provides yoga instructor courses for profit, it is a "private career school" as defined by Minn. Stat.

§ 136A.821(5). A number of students that had applied for Debtor's instructional courses, had elected to cancel their contract or otherwise were entitled to a refund as of the date of filing because Debtor did not provide the services for which the student had bargained. Under Minnesota state law, a private career school . . . shall refund to the student any amounts due and arrange for termination of the student's obligation to pay any sum in excess of that due under the cancellation and refund policy. See Minn. Stat. § 136A.827(6). Debtor shall pay to the Class 3 non-priority unsecured creditors \$9,019.49 within 360 days of the Effective Date of the Plan from Debtor's operating revenue. At present, and based upon filed and scheduled claims as of the date of this Plan, Debtor estimates that the total amount of the claims in this class is approximately \$9,019.49.

**(d) Class 4: Equity Holder.**

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a limited liability company ("LLC"), the equity interest holders are the members.

Class Four consists of the claims and interests of the equity security holder, Neil Riemer. At present, and based upon filed and scheduled claims as of the date of this Plan, Debtor estimates that the total amount of the claims in this class is approximately \$903,929.00.

Debtor will pay 0.0 % of the allowed claim and interest of the equity security holder, with no interest.

**7. IMPAIRED AND UNIMPAIRED CLASSES**

All classes are impaired.

**8. MEANS OF EXECUTION OF THE PLAN**

On the Effective Date, the Debtor shall be re-vested with title to all property of the bankruptcy estate. The Debtor shall continue to conduct its business in the ordinary course. All monthly distributions and payments made under the Plan shall be funded from the Debtor's business operating revenue.

The aggregate amount of distributions under the Plan is approximately \$84,000.00 per year. The difference between the estimated amount of funds available and the amount of required distributions may be held by the Debtor as an operating reserve for not more than 12 months after the anniversary of the Effective Date, on an annual basis going forward, and if not used in the normal course of their business, shall be distributed as an additional distribution, prorated, to holders of Class 2 Unsecured Claims, and shall not reduce the amounts otherwise due and payable under the Plan.

Notwithstanding any other provision in the Plan, the Debtor reserves the right to pay claims in full prior to the conclusion of the Term of the Plan and to seek a discharge upon payment in full of the Plan obligations.

## **9. MANAGEMENT FOLLOWING CONFIRMATION**

Neil Riemer will continue to be the Manager of the Debtor following confirmation of the Plan. The Post-Confirmation Manager of the Debtor will receive compensation as follows: An annual salary of \$110,000.

## **10. EXECUTORY CONTRACTS**

The Plan, in Article 6.1, lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. Article 6.1 also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Article 6.1 will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract Is March 9, 2018. Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

## **11. POTENTIAL TAX CONSEQUENCES OF THE PLAN**

The following is intended only as a summary of the potential tax consequences of acceptance or rejection of the Plan. No information provided in this Disclosure Statement, or the Plan, should be construed as the opinion of Debtor, or Debtor's counsel for the purpose of tax planning or reporting. Debtor has not sought a ruling from either

the Internal Revenue Service, or the Minnesota Department of Revenue on the potential tax consequences of the Plan.

The confirmation of the Plan may result in creditors and/or other interest holders being required to recognize either a tax gain or loss on the transactions set forth herein. Whether or not a creditor or interest holder is required to recognize gain or loss will depend on several factors, including, but not limited to, whether the creditors claim is personal or business related, the tax basis of the creditors claim, the creditor's treatment of the claim immediately before the filing of this case, and the organizational structure of the particular creditor. It is anticipated that the foregoing factors will be different for each creditor, and therefore the potential tax consequences will also be different for each creditor.

With respect to the Debtor, the most significant potential tax consequences are the potential for the loss or diminution of various tax attributes, net operating losses, if any, and possible reduction in basis of various business assets. Proponent has not determined what, if any, tax consequences may arise.

## **12. POST CONFIRMATION ADMINISTRATIVE MATTERS**

Fees payable by the by Debtor under 28 USC § 1930 shall be paid in full on the Effective Date and thereafter and when due until the Chapter 11 case is closed, dismissed or converted. After confirmation of the Plan, the Debtor shall submit quarterly operating reports to the United States Trustee each quarter (or portion thereof) until this Chapter 11 case is closed, dismissed or converted. These reports shall be in the format prescribed by the United States Trustee.

## **13. CONFIRMATION REQUIREMENTS AND PROCEDURES**

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

### **A. Who May Vote or Object**

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Debtor believes that classes 1, 2, 3 and 4 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

### 1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was November 20, 2017.

### 2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

### 3. *Who is Not Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes.
- holders of claims or equity interests in unimpaired classes;

- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

*Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.*

#### *4. Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

### **B. Votes Necessary to Confirm the Plan**

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by a "cram down" on non-accepting classes, as discussed later in Section B.2.

#### *1. Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

#### *2. Treatment of Nonaccepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind nonaccepting classes of claims or



equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not "discriminate unfairly," and is "fair and equitable" toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a "cramdown" confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

#### 14. ALTERNATIVES TO THE PLAN

The Debtor believes it has pursued every possible alternative to the proposed Plan. Consequently, the Debtor believes that the only realistic alternative to confirmation of the Plan is liquidation under Chapter 7. The Debtor firmly believes that reorganization under Chapter 11 is preferable to liquidation under Chapter 7.

The Debtor believes that general unsecured creditors and priority claimants would receive no recovery on liquidation. On the other hand, the Debtors anticipate one hundred percent recovery on account of secured, full recovery on priority tax claims, and, 29.0% on account of general unsecured claims under the Plan.

All of the Debtor's assets are subject to secured claims under applicable law. The Debtor believes that on a forced liquidation basis all of their secured assets are worth less than the debts owed to the secured creditor and that there would be no net recovery in excess of the debt that would be distributable to unsecured creditors. Based on this assumption, there would be substantial deficiencies on the secured debt and no funds available to pay unsecured claims.

The following table sets forth the Debtors' liquidation analysis.

<b>Asset Description</b>	<b>Scheduled Value</b>	<b>Amount of Secured Claim</b>	<b>Estimated Liquidation Value</b>	<b>Net Available for Distribution</b>
Cash on hand	\$300	\$150,894.78	\$300	\$0
Klein bank account ending 1194	\$13,774	\$150,894.78	\$13,774	\$0
Security Deposit CLPF-Velo, LLC	\$13,063	\$150,894.78	\$13,063	\$0
Retail inventory - Clothing, aromatics & yoga related decor	\$49,766	\$150,894.78	\$49,766	\$0
Office furniture	\$17,911	\$150,894.78	\$17,911	\$0

Office fixtures - improvements	\$1	\$150,894.78	\$1	\$0
Signs	\$292	\$1,584.62	\$292	\$0
Office Equipment	\$12,553	\$150,894.78	\$12,553	\$0
Leasehold interest in 2014 Land Rover Sport	\$1	N/A	\$0	\$0
Future receivables under Teacher Training Agreements	\$30,109	\$150,894.78	\$30,109	\$0
Potential future 30 day receivables under customer auto-payment agreement	\$20,014.63	\$150,894.78 & \$62,134.72	\$20,014.63	\$0
<b>TOTAL</b>	<b>\$157,784.63</b>	<b>\$214,614.12</b>	<b>\$157,784.63</b>	<b>\$0</b>

**15. FEASIBILITY AND PROJECTIONS**

The Debtor believes that the plan is feasible and Exhibit D shows projections evidencing the feasibility of the Plan. These projections suggest that the Plan is viable over the long term. The feasibility of the Plan depends, at least in part, upon Debtor's ability to continue to meet or exceed existing levels of income and maintain costs at or below projected levels.

**16. WAIVER AND RELEASE**

Confirmation of the Plan shall constitute a complete waiver and release of all claims of all creditors against the Debtor except as provided for in the Plan, and to the extent authorized by 11 U.S.C. §1141. Confirmation of the Plan will bind creditors to accept payments provided for in the Plan, and will oblige the Debtor to make payments to creditors as provided for in the Plan. Creditors holding judgments against the Debtor on account of or with respect pre-petition claims shall not take any action to enforce such judgments.

The Debtor will move to re-open this case when the plan has been fully administered and the Debtor has completed making the required plan payments and to move the court to grant them a discharge in accordance with 11 U. S. C. § 1141(d)(5).

## **17. EFFECT OF CONFIRMATION OF PLAN**

### **A. Discharge of Debtor**

On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the 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). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

### **B. Modification of Plan**

The Debtor may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan. The Debtor may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

### **C. Final Decree**

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Debtor, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

## **18. CONTINUING JURISDICTION OF THE COURT**

The Court shall continue have and assert jurisdiction over the Debtor, parties and parties-in-interest following confirmation in order to hear and determine claims objections, adversary proceedings, and any other matter that may be properly be brought before the Court.

## **19. CONCLUSION**

Debtor believes that the acceptance of this Plan is in the best interests of the Debtor, the estate, and all creditors herein. The alternative would be a Chapter 7

liquidation in which the unsecured creditors would not receive a distribution of payment. Debtor respectfully urges all creditors to vote in favor of the Plan.

Respectfully submitted,

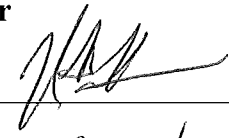
ATLAS LAW FIRM, LLC

Dated: December 28, 2017

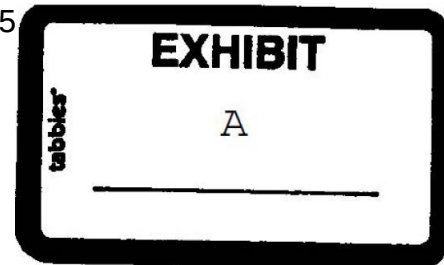
By: /e/ Michael J. Sheridan  
Michael J. Sheridan (#0388936)  
Attorney for Debtor  
7900 International Dr., Suite 300  
Bloomington, MN 55425  
(763) 229-7538

**The Yoga Center, LLC.**  
**Debtor**

Dated: 12/28/17

By: 

Its PRES / OWNER



UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

-----  
In re:

The Yoga Center, LLC,

Debtor.

BKY 17-42115-KAC

Chapter 11

-----  
**THE YOGA CENTER, LLC'S PLAN OF REORGANIZATION,**  
**DATED DECEMBER 27, 2017**

The Yoga Center, LLC the Debtor, hereby presents its Plan of Reorganization.

**ARTICLE 1**  
**DEFINITIONS**

The following terms used in the Plan of Reorganization shall have the following meanings:

1.1 "Effective Date" shall mean the thirtieth day after the Date on which an Order confirming the Plan is entered by the Court, and becomes a final non-appealable Order.

1.2 All other terms used in this Plan shall have the meanings ascribed to them in the Bankruptcy Code, Bankruptcy Rules, commercial practice, or ordinary usage.

**ARTICLE 2**  
**UNCLASSIFIED CLAIMS: DESCRIPTION AND TREATMENT**

2.1 **Priority unsecured tax claims entitled to priority pursuant to §507(a)(8) of United States Bankruptcy Code, including the claims of the United States Internal Revenue Service, and the Minnesota Department of Revenue.**

For the purposes of the Plan, these tax claims will include taxes assessed pre-petition but payable post-petition as well as taxes expected to be assessed post-petition.

Debtor reserves the right to accelerate payments to these creditors.

2.2 **Administrative claims entitled to priority pursuant to § 503(b)(2) of the**

## **United States Bankruptcy Code**

These claims include attorney's fees and accountant fees for Debtor's attorneys and accountants, as may be approved and awarded by the Court pursuant to §330(a) of the United States Bankruptcy Code. Debtor estimates aggregate administrative priority claims for professional persons including the operating trustee will be approximately \$18,000. Allowed administrative expenses entitled to priority pursuant to §503(b)(2), shall be paid in full to the extent allowed by court within 360 days of the Effective Date from Debtor's operating revenues and from advance retainers paid by the Debtor to professionals.

### **2.3 Administrative claims entitled to priority pursuant to §503(b)(1) of the United States Bankruptcy Code.**

Debtor estimates that there are \$8,587.58 of current payables due and owing which would be entitled to priority under § 503(b)(1) on the effective date of the Plan. Allowed administrative expenses entitled to priority pursuant to §503(b)(1), shall be paid in full to the extent allowed by court within 360 days of the Effective Date from Debtor's operating revenues.

### **2.4 United States Trustee's fees and other court costs and fees assessed or assessable.**

Debtor estimates that unpaid US trustee's fees, court fees, and other fees assessable pursuant to these provisions and remaining unpaid as of the Effective Date will be under \$1,500 and will be paid on or before the date of confirmation. All such fees and expenses will be paid on the Effective Date or in the ordinary course of business from Debtor's operating revenues pursuant to 28 U.S.C. §1930 (a) and (b).

## **ARTICLE 3**

### **CLASSIFIED CLAIMS: DESCRIPTION AND TREATMENT**

#### **3.1 Class 1A (Secured Claim)**

Class 1A consists of the secured claim of Klein Bank.

- A. Klein Bank holds a \$150,894.78 secured claim secured against substantially all of Debtor's assets, which were valued at \$157,784.63 as of the commencement of the case. Klein Bank holds a senior lien as its lien was perfected prior to the liens of Debtor's other secured creditors by the filing of a financial statement with the Secretary of State of the State of Minnesota on October 27, 2014. Pursuant to Order of this Court dated October 17, 2017 and a stipulation between Debtor and Klein Bank dated August 29, 2017, Debtor continued to

use the cash-collateral for business operation in exchange for providing Klein Bank adequate protection by granting Klein Bank replacement liens in all post-petition assets of Debtor having the same nature, type, quality and substance of the pre-petition collateral, excluding any causes of action Debtor may have under Chapter 5 of United States Bankruptcy Code. Debtor provided additional adequate protection by stipulating to interest only payments to Klein Bank payable September – December 2017. Klein Bank's secured claim is \$150,894.78 (Claim 14).

This claim is impaired.

Debtor will pay approximately 100% of the allowed Class 1A secured claims, with an interest rate of 5.50%, in monthly installments of \$2,871.00 per month beginning the 20th day of the first month following the effective date of the Plan, for a term of 60 months.

### 3.2 Class 1B (Secured Claim)

Class 1B consists of the partially secured claims of Can Capital Asset Servicing and Pawnee Leasing.

B. Can Capital Asset Servicing, Inc. holds a \$62,000 secured claim partially secured against substantially all of Debtor's assets. Can Capital Asset Servicing, Inc's lien was perfected after Klein Bank's lien but prior to the liens of Debtor's other secured creditors<sup>1</sup> by the filing of a financial statement with the Secretary of State of the State of Minnesota on October 31, 2016. All of collateral, except \$6,889.85, that secures Can Capital Asset Servicing, Inc's claim is encumbered by the perfected senior lien of Klein Bank. Therefore, this Plan treats any secured claim that Can Capital Asset Servicing, Inc. may claim as unsecured in the amount of \$55,110.15. The unsecured amount of Can Capital Asset Servicing, Inc's claim shall be treated as unsecured, non-priority claim pursuant to paragraph 3.3 below. Can Capital Asset Servicing, Inc. has not filed a claim.

This claim is impaired.

C. Pawnee Leasing Corporation holds a \$1,584.62 secured claim secured against the exterior building signs Debtor purchased from the creditor. Pawnee Leasing Corporation's lien was perfected after Klein Bank's lien but prior to

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<sup>1</sup> The financing statement of Pawnee Leasing Corporation was filed prior to the financing statement of Can Capital Asset Servicing, Inc. However, the Pawnee Leasing Corporation lien extends only to the signs Debtor purchased from the creditor.

the liens of Debtor's other secured creditors by the filing of a financial statement with the Secretary of State of the State of Minnesota on September 23, 2016. However, Pawnee Leasing Corporation's lien only extends to the signs that Debtor purchased from the creditor. Debtor estimates the value of the signs at \$292.00. Debtor intends to surrender the signs to Pawnee Leasing Corporation upon confirmation of this Plan in order to extinguish Pawnee Leasing Corporation's secured claim. Therefore, this Plan disregards any secured claim that Pawnee Leasing Corporation may claim. Any deficiency on Pawnee Leasing Corporation's claim shall be treated as unsecured, non-priority claim pursuant to paragraph 3.3 below. Pawnee Leasing Corporation has not filed a claim.

This claim is impaired.

Debtor will pay approximately 100% of the allowed Class 1B secured claims, with an interest rate of 5.50%, in monthly installments of \$143.00 per month beginning the 20th day of the first month following the effective date of the Plan, for a term of 60 months.

### **3.3 Class 2 (Unsecured Claims)**

Class Two claims consists of all pre-petition, unclassified non-priority claims, except for those described in paragraphs 3.4 & 3.5 below, and includes the unsecured non-priority portion of any tax claim (if any), and the unsecured portion of any otherwise secured claims where the claim has been reduced to the current market value of the property in accordance with 11 U.S.C. §506 or otherwise disallowed by order of the court. These otherwise secured creditors have a security interest in the same collateral that is junior to the valid and perfected senior lien of Klein Bank. To the extent the otherwise secured creditors perfected their liens after Klein Bank, their secured claims are impaired as described in paragraphs 3.3(A) and 3.3(B) and as further described below.

- A. Kings Cash Group, LLC holds a \$180,669.19 secured claim unsecured by any of Debtor's assets. Kings Cash Group, LLC's lien was perfected after Klein Bank's and Can Capital Asset Serving, Inc's liens but prior to the liens of Debtor's other secured creditors by the filing of a financial statement with the Secretary of State of the State of Minnesota on May 25, 2017. All the of collateral that secures Kings Cash Group, LLC's claim is encumbered by the perfected liens of Klein Bank and Can Capital Asset Serving, Inc. Kings Cash Group, LLC has conceded as much by filing a proof of claim that does not claim a security interest in Debtor's assets. Therefore, this Plan treats any secured claim of Kings Cash Group, LLC as unsecured in the amount of \$180,669.19. Kings Cash Group, LLC's claim shall be treated as unsecured,



non-priority claim. Kings Cash Group, LLC's unsecured claim is \$180,669.19 (Claim 5).

This claim is impaired.

- B. Forward Financing, LLC holds a \$74,336.88 secured claim unsecured by any of Debtor's assets. Forward Financing, LLC's lien was perfected after Debtor's other secured creditors by the filing of a financial statement with the Secretary of State of the State of Minnesota on May 30, 2017. All of the collateral that secures Forward Financing, LLC's claim is encumbered by the perfected liens of Klein Bank and Can Capital Asset Serving, Inc. Forward Financing, LLC has conceded as much by filing a proof of claim that does not claim a security interest in Debtor's assets. Therefore, this Plan treats any secured claim of Forward Financing, LLC as unsecured in the amount of \$74,336.88. Forward Financing, LLC's claim shall be treated as unsecured, non-priority claim. Forward Financing, LLC's unsecured claim is \$74,336.88 (Claim 7).

This claim is impaired.

At present, and based upon filed and scheduled claims as of the date of this Plan, debtor estimates that the total amount of the claims in this class, including creditors that may qualify under paragraph 6 is approximately \$701,816.02. This amount includes the deficiency claim of Pawnee Leasing Corporation, the unsecured portion of Can Capital Asset Serving, Inc. claim, and the unsecured claims of Kings Cash Group, LLC and Forward Financing, LLC.

Debtor will pay approximately 29.0% of the allowed unsecured claims, in monthly installments of \$1,018.74 per month beginning the 20th day of the first month following the Effective Date of the Plan, for a term of 12 months, then \$3,986.00 per month for a term of 48 months. If the aggregate amount of allowed Class Two claims is less than \$203,552.90, the total amount of distributions to holders of Class Two Claims shall be in an amount equal to the aggregate amount of allowed Class Two Claims. If the aggregate amount of allowed Class Two Claims is more than \$203,552.90, total distributions to holders of Class Two Claims shall be not less than \$203,552.90.

All distributions to holders of allowed Class Two Claims shall made on a prorated basis such that the distribution to any one holder shall be proportionate to the ratio of the holders' claim bears to the aggregate amount of allowed Class Two Claims (individual distribution = amount of holder's allowed claim ÷ aggregate amount of allowed Class Two Claims, multiplied by the total amount of the distribution).

These claims are impaired.

### 3.4 **Class Three (Administrative Convenience Class)**

Class Three consists of all non-priority unsecured claims whose claims are due to refunds due pursuant to Minn. Stat. § 136A.827(6). To the extent that Debtor provides yoga instructor courses for profit, it is a "private career school" as defined by Minn. Stat. § 136A.821(5). A number of students that had applied for Debtor's instructional courses, had elected to cancel their contract or otherwise were entitled to a refund as of the date of filing because Debtor did not provide the services for which the student had bargained. Under Minnesota state law, a private career school . . . shall refund to the student any amounts due and arrange for termination of the student's obligation to pay any sum in excess of that due under the cancellation and refund policy. *See* Minn. Stat. § 136A.827(6). Debtor shall pay to the Class Three non-priority unsecured creditors \$9,019.49 within 360 days of the Effective Date of the Plan from Debtor's operating revenues. At present, and based upon filed and scheduled claims as of the date of this Plan, debtor estimates that the total amount of the claims in this class is approximately \$9,019.49.

This class is impaired.

### 3.5 **Class Four (Equity Holder)**

Class Four consists of the claims and interests of the equity security holder, Neil Riemer. At present, and based upon filed and scheduled claims as of the date of this Plan, debtor estimates that the total amount of the claims in this class is approximately \$903,929.00.

Debtor will pay 0 % of the allowed claim and interest of the equity security holder with no interest.

This claim is impaired.

## **ARTICLE 4** **ACCELERATION OF PAYMENTS**

Debtor reserves the right, at its sole option, to accelerate payments to any creditor or class of creditors.

## **ARTICLE 5** **AVOIDANCE ACTIONS**

The Debtor reserves the right to pursue avoidance actions pursuant to 11 U.S.C. § 547 and 11 U.S.C. § 548. At present, the Debtor does not intend to pursue these claims.

**ARTICLE 6**  
**EXECUTORY CONTRACTS AND LEASES**

**6.1 Assumption and Rejection of Executory Contracts and Unexpired Leases**

- A. The Debtor hereby rejects the outstanding lease of CLPF-Velo, LLC for the leasehold interest of the non-residential real property located at 103 North Second St., Minneapolis, MN 55401. The Debtor hereby rejects the executory contract of JPMorgan Chase Bank, N.A. for the leasehold interest in 2014 Land Rover Range Rover Sport vehicle identification number SALWR2WF3EA327560, title number J00980192.
- B. The Debtor reserves the right to assume or reject all outstanding leases and executory contracts. Pursuant to Order of this Court dated October 16, 2017, the time allowed for the debtor to assume or reject unexpired non-residential real property leases under 11 U.S.C. § 365(d)(4)(A)(i) is extended to and including February 8, 2018.
- C. The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed pursuant to a separate motion or subject to the expedited procedures approved by the Court to assume or reject under section 365 of the United States Bankruptcy Code by February 8, 2018. 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 March 9, 2018 (30) days after the date of the order confirming this Plan.

**6.2 Limited Extension of Time to Assume or Reject**

In the event of a dispute as to whether a contract or lease is executory or unexpired, the right of the Debtor or Reorganized Debtor to move to assume or reject such contract or lease, either by motion or pursuant to such expedited procedures as have been approved by the Court, shall be extended until the date that is thirty (30) days after the entry of a Final Order by the Court determining that the contract or lease is executory or unexpired. The deemed assumptions and rejections provided for in this Article 6 of the Plan shall not apply to such contract or lease.

**6.3 Cure**

The applicable Reorganized Debtor, except as otherwise agreed by the parties, will cure any and all undisputed defaults under any executory contract or unexpired lease that is assumed by such Reorganized Debtor pursuant to the Plan in accordance with section

365 of the United States Bankruptcy Code. In the event there is a dispute as of the Effective Date regarding the amount required to cure defaults under any executory contract or unexpired lease that the Reorganized Debtor proposes to assume, the Reorganized Debtor shall have until thirty (30) days after entry of a Final Order determining the amount, if any, of the applicable Debtor or Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed by the parties, to determine whether to assume or reject the related executory contract or unexpired lease. In the event the Reorganized Debtor determines to assume the applicable executory contract or unexpired lease related to the disputed cure, such disputes shall be cured either within thirty (30) days of the entry of a Final Order determining the amount, if any, of the applicable Debtor or the Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties.

#### **6.4 Rejection Damages Claim**

All claims for damages arising from the rejection of executory contracts or unexpired leases must be filed with the Court in accordance with the terms of the order authorizing such rejection and any applicable bar dates established during the case, but in no event later than thirty (30) days after the Effective Date (unless rejected at a later date as a result of a disputed cure amount as set forth in Article 6.3 herein). Any claims not filed within such time will be forever barred from assertion against the Debtor, their respective estates and the Reorganized Debtor. All allowed claims arising from the rejection of executory contracts or unexpired leases shall be treated as general unsecured claims.

### **ARTICLE 7**

#### **MEANS OF EXECUTION OF THE PLAN**

As of the date of confirmation of the Plan, the Debtor shall be re-vested with all remaining property of the estate. On the Effective Date, Debtor shall commence making distributions in accordance with the treatment of each class of creditor and/or interest holder discussed immediately above. All such distributions shall be funded from Debtor's current income.

### **ARTICLE 8**

#### **MODIFICATION OF THE PLAN**

Debtor may alter, amend, or modify the Plan to the fullest extent provided in 11 U.S.C. §1126 (a) or (b).

### **ARTICLE 9**

#### **RELEASE**

Confirmation of the Plan shall constitute a release of all claims of all creditors against Debtor, except as provided for in the Plan, and to the extent authorized by 11 U.S.C. §1141. Confirmation of the Plan will bind creditors to accept payments as provided for in the Plan, and oblige Debtors to make the payments to creditors as provided for in the Plan.

**ARTICLE 10**  
**CONTINUING REPORTING REQUIREMENTS AND PAYMENT OF UNITED STATES TRUSTEE FEES**

The Reorganized Debtor shall be responsible for the timely payment of all fees incurred pursuant to 28 U.S.C. § 1930(a)(6). After confirmation, the Reorganized Debtor shall serve on the United States Trustee a monthly financial report for each month (or portion thereof) that the case remains open. Such report shall be in the format prescribed by the United States Trustee.

Dated: December 28, 2017


Respectfully submitted,

ATLAS LAW FIRM, LLC

By: /e/ Michael J. Sheridan  
Michael J. Sheridan (#0388936)  
Attorney for Debtor  
7900 International Dr., Suite 300  
Bloomington, MN 55425  
(763) 229-7538

**The Yoga Center, LLC.**  
**Debtor**

Dated: 12/28/17

By:   
Its PRES / OWNER



## STATEMENT OF OPERATIONS & CASH FLOW

(NOTE: ONLY INCLUDE information directly related to one business operation on each form)

Type of business Teaching Business Name The Yoga Center, LLC

### PART A - GROSS BUSINESS INCOME FOR PREVIOUS 12 MONTHS:

1. Gross Income for 12 Months Prior to Filing \$ 1,635,367

### PART B - ESTIMATED AVERAGE FUTURE GROSS MONTHLY INCOME:

2. Gross Monthly Income: \$ 144,713.00

### PART C - ESTIMATED AVERAGE FUTURE MONTHLY EXPENSES:

3. Payroll (paid to others)	<u>\$ 70,231</u>
4. Payroll Taxes	<u>\$ 4,771</u>
5. Unemployment Taxes	<u>\$ 274</u>
6. Worker's Compensation	<u>\$ 360</u>
7. Employee Benefits (e.g., pension, medical, etc.)	<u>\$ 0</u>
8. Other Taxes	<u>\$ 3,199</u>
9. Inventory Purchases (including raw materials)	<u>\$ 8,000</u>
10. Purchase of Feed/Fertilizer/Seed/Spray	<u>\$ 0</u>
11. Rent (Other than debtor's principal residence)	<u>\$ 31,388</u>
12. Utilities	<u>\$ 2,739</u>
13. Office Expenses and Supplies	<u>\$ 293</u>
14. Repairs and Maintenance	<u>\$ 351</u>
15. Vehicle Expenses	<u>\$ 1,037</u>
16. Travel and Entertainment	<u>\$ 818</u>
17. Advertising and Promotion	<u>\$ 5,000</u>
18. Equipment Rental and Leases	<u>\$ 923</u>
19. Legal/Accounting/Other Professional Fees	<u>\$ 125</u>
20. Insurance	<u>\$ 918</u>
21. Payment to Be Made Directly by Debtor to Secured Creditors for Pre-Petition Business Debts (specify)	<u>\$ 0</u>
22. Other (Licenses & Permits)	<u>\$ 49</u>
23. Total Monthly Expenses (add items (3-22))	<u>\$ 130,476</u>


### PART D - ESTIMATED AVERAGE NET MONTHLY INCOME:

24. Average Net Monthly Income (subtract line 23 from line 2) \$ 14,237

Net Monthly Income \$ 14,237

Verification. I, Neil Reimer, the President of The Yoga Center, LLC, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Executed on July 13, 2017

Signed:   
Neil Reimer, President  
The Yoga Center, LLC  
103 N 2nd St  
Minneapolis, MN 55401

Document Page 32 of 56  
**THE YOGA CENTER OF MINNEAPOLIS**

BALANCE SHEET

As of June 30, 2017

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Klein Bank Checking	13,380.08
<b>Total Bank Accounts</b>	<b>\$13,380.08</b>
<b>Total Current Assets</b>	<b>\$13,380.08</b>
Fixed Assets	
Accumulated Depreciation	-117,563.00
Buildout 2013	16,983.17
Furniture and Fixtures	68,531.34
Leasehold Improvement	130,555.00
Software	13,171.87
STLP Buildout	75,965.14
<b>Total Fixed Assets</b>	<b>\$187,643.52</b>
Other Assets	
Goodwill	625,427.00
Loan Origination Fee	140,626.00
<b>Total Other Assets</b>	<b>\$766,053.00</b>
<b>TOTAL ASSETS</b>	<b>\$967,076.60</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
American Express	52,397.61
Wells Fargo Visa	30,756.14
Wells Fargo Visa (Neil's)	49,035.51
<b>Total Credit Cards</b>	<b>\$132,189.26</b>
Other Current Liabilities	
Gift Certificates Outstanding	34,368.68
Karma Yoga Fund Donations	2,787.15
Line of Credit - Klein	150,000.00
Sales Tax Payable	328.20
<b>Total Other Current Liabilities</b>	<b>\$187,484.03</b>
<b>Total Current Liabilities</b>	<b>\$319,673.29</b>
Long-Term Liabilities	
Forward Financing Loan	81,492.74
Shareholder Loan - Neil	754,080.25
Shareholder Loan - Neil Interest	28,206.99
Signature Bank loan	148,461.00
Unpaid Guaranteed	70,000.00
Web Bank Loan	64,332.63
<b>Total Long-Term Liabilities</b>	<b>\$1,146,573.61</b>



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<b>Total Liabilities</b>	<b>\$1,466,246.90</b>
Equity	
Partner One Equity	-229,373.77
Partner One Draws	-30,695.02
<b>Total Partner One Equity</b>	<b>-260,068.79</b>
Partner Two Equity	512,569.84
Retained Earnings	-747,748.82
Net Income	-3,922.53
<b>Total Equity</b>	<b>\$ -499,170.30</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$967,076.60</b>

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B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re The Yoga Center LLC  
Debtor

Case No. 17-42115

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: 11/1/17 - 11/30/17

Date filed: \_\_\_\_\_

Line of Business: yoga classes + school

NAISC Code: \_\_\_\_\_

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Original Signature of Responsible Party

Neil Riemer

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

- |   | Yes                                 | No                                  |
|---|-------------------------------------|-------------------------------------|
| 1. IS THE BUSINESS STILL OPERATING?   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 3. DID YOU PAY YOUR EMPLOYEES ON TIME?  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY? | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

**TAXES**

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

**INCOME**

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 124,185.21

**SUMMARY OF CASH ON HAND**

Cash on Hand at Start of Month 30000 + 20190.07 \$ 20,490.07  
 Cash on Hand at End of Month 150.00 + 8000.32 \$ 8,150.32

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ 8,150.32

(Exhibit B)

**EXPENSES**

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ 136,374.96

(Exhibit C)

**CASH PROFIT**

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 124,185.21  
 EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 136,374.96  
 (Subtract Line C from Line B) CASH PROFIT FOR THE MONTH \$ <12,189.75>

B 25C (Official Form 25C) (12/08)

**UNPAID BILLS**

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 91,577.79

(Exhibit D)

**MONEY OWED TO YOU**

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

**BANKING INFORMATION**

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

**EMPLOYEES**

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

52  
51

**PROFESSIONAL FEES**

**BANKRUPTCY RELATED:**

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 0

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 0

**NON-BANKRUPTCY RELATED:**

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 0

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 0

B 25C (Official Form 25C) (12/08)

*Not given projections*

**PROJECTIONS**

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH: \$ \_\_\_\_\_

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: \$ \_\_\_\_\_

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: \$ \_\_\_\_\_

**ADDITIONAL INFORMATION**

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

**THE YOGA CENTER OF MINNEAPOLIS**  
**Transaction Report**  
 November 2017

Date	Transaction Typ	Num	Name	memo/Descriptic	Account	Split	Amount
Wells Fargo Checking							
DIP account	Journal Entry	3899		Daily Deposit	Wells Fargo Checking	-Split-	20.85
11/01/2017	Journal Entry	3899		Daily Deposit	Wells Fargo Checking	-Split-	8,985.66
11/02/2017	Journal Entry	3902		Daily Deposit	Wells Fargo Checking	-Split-	58.50
11/02/2017	Journal Entry	3902		Daily Deposit	Wells Fargo Checking	-Split-	4,366.00
11/02/2017	Journal Entry	3902		Daily Deposit	Wells Fargo Checking	-Split-	5,738.84
11/03/2017	Journal Entry	3903		daily deposit	Wells Fargo Checking	-Split-	159.53
11/03/2017	Journal Entry	3903		daily deposit	Wells Fargo Checking	-Split-	180.00
11/03/2017	Journal Entry	3903		daily deposit	Wells Fargo Checking	-Split-	2,223.05
11/04/2017	Journal Entry	3904		Daily Deposit	Wells Fargo Checking	-Split-	127.29
11/04/2017	Journal Entry	3904		Daily Deposit	Wells Fargo Checking	-Split-	2,539.54
11/05/2017	Journal Entry	3905		Daily Deposit	Wells Fargo Checking	-Split-	777.01
11/05/2017	Journal Entry	3905		Daily Deposit	Wells Fargo Checking	-Split-	2,507.74
11/06/2017	Journal Entry	3908		ADP refund	Wells Fargo Checking	-Split-	18.00
11/06/2017	Journal Entry	3907		Daily Deposit	Wells Fargo Checking	-Split-	68.72
11/06/2017	Journal Entry	3907		Daily Deposit	Wells Fargo Checking	-Split-	2,736.96
11/06/2017	Journal Entry	3907		Daily Deposit	Wells Fargo Checking	-Split-	3,000.00
11/07/2017	Journal Entry	3911		Daily Deposit	Wells Fargo Checking	-Split-	36.51
11/07/2017	Journal Entry	3911		Daily Deposit	Wells Fargo Checking	-Split-	2,229.44
11/08/2017	Journal Entry	3912		Daily Deposit	Wells Fargo Checking	-Split-	74.50
11/08/2017	Journal Entry	3912		Daily Deposit	Wells Fargo Checking	-Split-	2,853.44
11/09/2017	Journal Entry	3914		Daily Deposit	Wells Fargo Checking	-Split-	228.68
11/09/2017	Journal Entry	3914		Daily Deposit	Wells Fargo Checking	-Split-	1,003.79
11/10/2017	Journal Entry	3915		Daily Deposit	Wells Fargo Checking	-Split-	133.12
11/10/2017	Journal Entry	3915		Daily Deposit	Wells Fargo Checking	-Split-	7,299.68
11/11/2017	Journal Entry	3916		Daily Deposit	Wells Fargo Checking	-Split-	162.20
11/11/2017	Journal Entry	3916		Daily Deposit	Wells Fargo Checking	-Split-	3,881.98
11/12/2017	Journal Entry	3917		Daily Deposit	Wells Fargo Checking	-Split-	106.77
11/12/2017	Journal Entry	3917		Daily Deposit	Wells Fargo Checking	-Split-	1,923.91

11/13/2017	Journal Entry	3919	Daily Deposit	Wells Fargo Checking	-Split-	62.89
11/13/2017	Journal Entry	3919	Daily Deposit	Wells Fargo Checking	-Split-	180.00
11/13/2017	Journal Entry	3919	Daily Deposit	Wells Fargo Checking	-Split-	2,444.58
11/14/2017	Journal Entry	3920	Daily Deposit	Wells Fargo Checking	-Split-	106.60
11/14/2017	Journal Entry	3920	Daily Deposit	Wells Fargo Checking	-Split-	1,846.00
11/15/2017	Journal Entry	3921	Daily Deposit	Wells Fargo Checking	-Split-	72.00
11/15/2017	Journal Entry	3921	Daily Deposit	Wells Fargo Checking	-Split-	8,834.15
11/16/2017	Journal Entry	3923	Daily Deposit	Wells Fargo Checking	-Split-	56.53
11/16/2017	Journal Entry	3923	Daily Deposit	Wells Fargo Checking	-Split-	95.00
11/16/2017	Journal Entry	3923	Daily Deposit	Wells Fargo Checking	-Split-	1,169.07
11/17/2017	Journal Entry	3924	Daily Deposit	Wells Fargo Checking	-Split-	88.89
11/17/2017	Journal Entry	3924	Daily Deposit	Wells Fargo Checking	-Split-	7,929.43
11/18/2017	Journal Entry	3925	Daily Deposit	Wells Fargo Checking	-Split-	51.54
11/18/2017	Journal Entry	3925	Daily Deposit	Wells Fargo Checking	-Split-	2,184.95
11/19/2017	Journal Entry	3926	Daily Deposit	Wells Fargo Checking	-Split-	105.50
11/19/2017	Journal Entry	3926	Daily Deposit	Wells Fargo Checking	-Split-	1,658.86
11/20/2017	Journal Entry	3928	Daily Deposit	Wells Fargo Checking	-Split-	100.00
11/20/2017	Journal Entry	3927	cash from Mpls dr Wells Fargo Checking	Wells Fargo Checking	-Split-	150.00
11/20/2017	Journal Entry	3928	Daily Deposit	Wells Fargo Checking	-Split-	3,000.00
11/20/2017	Journal Entry	3928	Daily Deposit	Wells Fargo Checking	-Split-	4,202.24
11/21/2017	Journal Entry	3931	refund from EMI a Wells Fargo Checking	Wells Fargo Checking	-Split-	11.83
11/21/2017	Journal Entry	3929	Daily Deposit	Wells Fargo Checking	-Split-	637.94
11/21/2017	Journal Entry	3929	Daily Deposit	Wells Fargo Checking	-Split-	2,088.42
11/22/2017	Journal Entry	3930	Daily Deposit	Wells Fargo Checking	-Split-	45.51
11/22/2017	Journal Entry	3930	Daily Deposit	Wells Fargo Checking	-Split-	1,868.78
11/23/2017	Journal Entry	3932	Daily Deposit	Wells Fargo Checking	-Split-	10.75
11/23/2017	Journal Entry	3932	Daily Deposit	Wells Fargo Checking	-Split-	80.00
11/24/2017	Journal Entry	3933	Daily Deposit	Wells Fargo Checking	-Split-	76.01
11/24/2017	Journal Entry	3933	Daily Deposit	Wells Fargo Checking	-Split-	3,200.00
11/24/2017	Journal Entry	3933	Daily Deposit	Wells Fargo Checking	-Split-	6,885.99
11/25/2017	Journal Entry	3934	Daily Deposit	Wells Fargo Checking	-Split-	105.05
11/25/2017	Journal Entry	3934	Daily Deposit	Wells Fargo Checking	-Split-	8,327.95
11/26/2017	Journal Entry	3935	Daily Deposit	Wells Fargo Checking	-Split-	5.40
11/26/2017	Journal Entry	3935	Daily Deposit	Wells Fargo Checking	-Split-	3,110.94

11/27/2017	Journal Entry	3938	Daily Deposit	Wells Fargo Checking	-Split-	21.06
11/27/2017	Journal Entry	3936	payment from Yoc	Wells Fargo Checking	-Split-	300.00
11/27/2017	Journal Entry	3938	Daily Deposit	Wells Fargo Checking	-Split-	1,890.89
11/28/2017	Journal Entry	3939	Daily Deposit	Wells Fargo Checking	-Split-	54.99
11/28/2017	Journal Entry	3939	Daily Deposit	Wells Fargo Checking	-Split-	1,162.20
11/29/2017	Journal Entry	3940	Daily Deposit	Wells Fargo Checking	-Split-	52.01
11/29/2017	Journal Entry	3940	Daily Deposit	Wells Fargo Checking	-Split-	1,596.90
11/30/2017	Journal Entry	3941	Daily Deposit	Wells Fargo Checking	-Split-	63.40
11/30/2017	Journal Entry	3941	Daily Deposit	Wells Fargo Checking	-Split-	105.00
11/30/2017	Journal Entry	3941	Daily Deposit	Wells Fargo Checking	-Split-	4,704.25
<b>Total Income Exhibit B</b>						<b>124,185.21</b>



Date	Transaction Typ	Num	Name	memo/Descriptic	Account	Split	Amount
<b>Wells Fargo Checking</b>							
DIP account	11/02/2017	3095	4200 Minnetonka Blvd LLC		Wells Fargo Checking	Rent:Rent-St Louis Park	(11,500.00)
	11/02/2017	3094	Neil Riemer		Wells Fargo Checking	Payroll Expenses:Salaries and V	(5,000.00)
	11/02/2017		Mindbody		Wells Fargo Checking	Credit card fees	(3,326.24)
	11/02/2017	3093	Nichole Vesperman		Wells Fargo Checking	Payroll Expenses:Salaries and V	(1,183.57)
	11/02/2017	3092	Jennifer Gray.		Wells Fargo Checking	Independent Contractor:Instructo	(1,040.36)
	11/02/2017		Google		Wells Fargo Checking	Marketing:Website	(90.00)
	11/03/2017	3096	Bridget Basta		Wells Fargo Checking	Payroll Expenses:Salaries and V	(1,242.95)
	11/03/2017		Mindbody		Wells Fargo Checking	Marketing:Website	(783.00)
	11/03/2017		Neil Riemer		Wells Fargo Checking	Payroll Expenses:Salaries and V	(291.08)
	11/06/2017	3099	Jennifer Brandt		Wells Fargo Checking	Independent Contractor:Instructo	(3,220.19)
	11/06/2017	3097	Margaret Nicklow		Wells Fargo Checking	Payroll Expenses:Salaries and V	(1,141.36)
	11/06/2017	3098	Stefanie Prokopiuk		Wells Fargo Checking	Payroll Expenses:Salaries and V	(496.11)
	11/06/2017		Amazon.com		Wells Fargo Checking	Supplies	(101.04)
	11/06/2017		Amazon.com		Wells Fargo Checking	Supplies	(55.59)
	11/06/2017		Amazon.com		Wells Fargo Checking	Supplies	(48.42)
	11/06/2017		Street Fleet		Wells Fargo Checking	Postage and Delivery	(7.50)
	11/08/2017		MINNESOTA DEPARTMENT OF RE		Wells Fargo Checking	Sales Tax Payable	(466.00)
	11/08/2017		Store Supply Warehouse		Wells Fargo Checking	Supplies	(186.59)
	11/08/2017	3913	online transfer ser		Wells Fargo Checking	-Split-	(3.00)
	11/09/2017		Berkley Risk Administrators Compan		Wells Fargo Checking	Accounts Payable	(782.00)
	11/09/2017		Good Stuff Moving Inc.		Wells Fargo Checking	Miscellaneous	(456.00)
	11/09/2017		Century Link (Sea 952-920-1992		Wells Fargo Checking	Accounts Payable	(270.29)
	11/09/2017		Ultimate Events		Wells Fargo Checking	Equipment Rental	(138.83)
	11/09/2017		EMI Audio		Wells Fargo Checking	Equipment Rental	(130.11)
	11/09/2017		Century Link (Sea 952-920-1992		Wells Fargo Checking	Accounts Payable	(121.12)
	11/09/2017		Amazon.com		Wells Fargo Checking	Supplies	(80.12)
	11/09/2017		Amazon.com		Wells Fargo Checking	Supplies	(67.78)
	11/09/2017		Amazon.com		Wells Fargo Checking	Supplies	(20.27)

11/10/2017	Expense		ADP Payroll		Wells Fargo Checking	Payroll Expenses:Payroll Proces:	(266.64)
11/10/2017	Expense		home depot		Wells Fargo Checking	Supplies	(171.91)
11/10/2017	Expense		USPS		Wells Fargo Checking	Postage and Delivery	(1.00)
11/14/2017	Journal Entry	3918		payroll 11/15/17	Wells Fargo Checking	-Split-	(29,994.97)
11/14/2017	Journal Entry	3918		payroll 11/15/17	Wells Fargo Checking	-Split-	(8,212.26)
11/14/2017	Bill Payment (Che 3103		Klein Bank		Wells Fargo Checking	Accounts Payable	(1,398.00)
11/15/2017	Expense		Intuit		Wells Fargo Checking	Office Supplies	(50.00)
11/15/2017	Journal Entry	3922		return check fee	Wells Fargo Checking	-Split-	(12.00)
11/15/2017	Expense		Money Movers Inc.		Wells Fargo Checking	Office Supplies	(7.00)
11/16/2017	Bill Payment (Che 3104		4200 Minnetonka Blvd LLC		Wells Fargo Checking	Accounts Payable	(6,000.00)
11/16/2017	Check	3107	Neil Riemer		Wells Fargo Checking	Payroll Expenses:Salaries and W	(3,000.00)
11/16/2017	Expense		Excel Energy - S		Wells Fargo Checking	Utilities:Gas and Electric	(640.83)
11/16/2017	Bill Payment (Che 3106		Palm + Pine LLC		Wells Fargo Checking	Accounts Payable	(500.00)
11/16/2017	Check	3108	Jennifer Gray.		Wells Fargo Checking	Travel:Lodging	(334.49)
11/20/2017	Check	3109	Neil Riemer		Wells Fargo Checking	Payroll Expenses:Salaries and W	(2,000.00)
11/20/2017	Expense		Good Stuff Moving Inc.		Wells Fargo Checking	Miscellaneous	(969.00)
11/20/2017	Expense		Deluxe Check		Wells Fargo Checking	Office Supplies	(308.26)
11/20/2017	Expense		Century Link (Phoenix)		Wells Fargo Checking	Telephone	(89.12)
11/20/2017	Expense		Street Fleet		Wells Fargo Checking	Postage and Delivery	(7.50)
11/21/2017	Check	3110	SFM Risk Solutions		Wells Fargo Checking	Insurance:Work Comp	(528.00)
11/24/2017	Expense		ADP Payroll		Wells Fargo Checking	Payroll Expenses:Payroll Proces:	(275.02)
11/24/2017	Expense		Constant Contact		Wells Fargo Checking	Marketing:Website	(225.00)
11/27/2017	Expense		Amazon.com		Wells Fargo Checking	Supplies	(45.46)
11/28/2017	Journal Entry	3937		payroll 11/29/17	Wells Fargo Checking	-Split-	(28,963.81)
11/28/2017	Journal Entry	3937		payroll 11/29/17	Wells Fargo Checking	-Split-	(5,186.70)
11/28/2017	Expense		West Bend Mutual Insurance Co		Wells Fargo Checking	Insurance:Liability Insurance	(731.63)
11/29/2017	Bill Payment (Che 3112		4200 Minnetonka Blvd LLC		Wells Fargo Checking	Accounts Payable	(11,328.09)
11/29/2017	Check	3111	Neil Riemer		Wells Fargo Checking	Payroll Expenses:Salaries and W	(1,500.00)
11/29/2017	Expense		Google		Wells Fargo Checking	Marketing:Website	(359.65)
11/30/2017	Bill Payment (Che 3113		Crosslake Yoga		Wells Fargo Checking	Accounts Payable	(1,000.00)
11/30/2017	Journal Entry	3942			Wells Fargo Checking	-Split-	(19.10)
Total Expenses Exhibit C							<u>(136,374.96)</u>

**THE YOGA CENTER OF MINNEAPOLIS**  
**Unpaid bills 11/30/17**

Exhibit D

	Current	1 - 30	31 - 60	61 - 90	91 and over	Incurred	Purpose	Due Date
AIM Fire and Safety, Inc.					67.50	8/17/2017	repairs	8/27/2017
Allison Oberto				437.74		8/14/2017	refund	9/13/2017
Ann Made Inc.	132.00	184.00				11/30, 10/31	consignment	12/10, 11/10
April Bullock	524.45					11/1/2017	refund	12/1/2017
Asavari Manvikar		70.47	69.30	381.60		9/11/2017	travel exp reimb	9/21/2017
Aspen Waste Systems				68.85		11/1, 10/1, 9/1	waste	11/20, 10/20, 9/21
Barefoot Yoga Co				1,214.48		8/3/2017	retail inventory	9/2/2017
Becca Hackman			575.00			9/1/2017	refund	10/1/2017
Celia K McCoy			211.86			10/2/2017	travel exp reimb	10/12/2017
Centerpoint Energy	331.32	127.71	82.24			11/27, 10/27, 9/27	utility	12/26, 11/26, 10/27
Century Link (Phoenix)		431.70	517.09			11/19, 10/19	telephone	12/19, 11/18
Century Link (Seattle)		451.37				10/19/2017	telephone	11/18/2017
CLPF-Velo, LLC		13,390.00	13,390.00	13,390.00		11/1, 10/1, 9/1, 8/1	rent-Mpls	11/1, 10/1, 9/1, 8/1
Create Laser Arts	81.50					11/30, 10/31	consignment	12/10, 11/10
Dragonfly Dance and Wellness				500.00		9/1/2017	rent-Eau Claire	9/1/2017
DYI Define Your Inspiration			3,967.00			9/11/2017	retail inventory	10/11/2017
Emma Dillion	77.50	97.50				11/30, 10/31	consignment	12/10, 11/10
Xcel Energy - S		411.60	715.73			10/30, 9/28	utility	11/28, 10/25
Great River Office Products				23.89	19.18	8/31, 7/31	finance charge	9/30, 8/31
Heidi Peters			300.00			9/27/2017	refund	10/27/2017
Iron Maid Art	210.00	7.00				11/30, 10/31	consignment	12/10, 11/10
Jenna Simonson	133.00	133.00				11/30, 10/31	consignment	12/10, 11/10
Jennifer Brandt			840.96			10/9/2017	travel exp reimb	10/24/2017
Jennifer Johnson	66.67	49.34	46.67			11/30, 10/31, 9/30	consignment	12/10, 11/10, 10/10
Jennifer Vail	47.60					11/19/2017	refund	12/19/2017
John Gerber	5.58	5.02	212.79			11/30, 10/31, 9/30	consignment	12/10, 11/10, 10/10
Kristine Jensen	48.00	48.00				11/30, 10/31	consignment	12/10, 11/10
Lara Cornell			2.50			11/30, 10/31	consignment	12/10, 11/10
Laura Willenbring		1,200.00				10/4/2017	refund	11/3/2017

Lindsey Larson	200.00	240.00	11/30, 10/31	consignment	12/10, 11/10
Margaret Nicklow		101.65	11/9/2017	travel exp reimb	11/19/2017
Marge Keyes	1,516.67		11/30/2017	refund	12/10/2017
Mary Prokopiuk	26.00		11/30/2017	consignment	12/10/2017
Mattson, Macdonald, Young		183.00	9/15/2017	repairs	10/15/2017
Megan Zapataro		525.00	9/5/2017	refund	10/5/2017
Melinda Wolff	125.00	24.00	11/30, 10/31	consignment	12/10, 11/10
Metro Sales, Inc	110.75	544.92	11/20, 9/11	copier leases	11/20, 9/11
Milberg Factors of California Inc.		4,908.89	8/31/2017	retail inventory	9/30/2017
Milbert's Lock & Safe, LLC		210.00	8/25/2017	lock repair	9/25/2017
Minnesota Court Payment Center		50.00	9/28/2017	parking ticket	10/18/2017
Nichole Vesperman		443.87	10/31/2017	ins, cell reimb	11/20/2017
NTTA		25.00	7/16/2017	tolls	8/16/2017
Parkmobile LLC		600.00	9/1/2017	parking discounts	9/11/2017
Pawnee Leasing Corpora	792.31	792.31	11/1, 10/1, 9/1, 8/1	sign lease	11/1, 10/1, 9/1, 8/1
Rebecca Kleffman	102.88	2,266.10	10/12/2017	refund	11/11/2017
Republic Services		100.62	11/25, 10/25	recycling	12/15, 11/15
Sorja Blackstone		1,521.92	10/25/2017	refund	11/25/2017
St. Louis Park Finance Division		125.00	9/26, 7/19	fire false alarm	10/29, 8/19
Stefanie Prokopiuk	23.00	109.00	11/30, 10/31	consignment	12/10, 11/10
Tara Lee Cayce		124.20	10/21/2017	travel exp reimb	10/31/2017
The Yoga Room		500.00	10/1, 9/1	rent-Eau Claire	10/1, 9/1
Transformation Club		175.00	11/1, 10/1, 9/1	rent-Chanhassen	11/1, 10/1, 9/1
U.S. Bankcorp Equipment		396.35	11/28, 10/28, 9/28	copier leases	12/23, 11/23, 10/23
U.S. Trustee Payment Cer	975.00		10/31/2017	adjusting notice	11/30/2017
XCEL Energy - M	569.13	486.50	11/11, 10/11	utility	12/7, 11/7
Yoga For You, LLC		500.00	10/1, 9/1	rent-Bismarck	10/1, 9/1
<b>TOTAL</b>	<b>\$ 6,098.36</b>	<b>\$ 23,413.23</b>			
		<b>\$ 24,897.22</b>			
		<b>\$ 24,136.61</b>			
		<b>\$ 13,824.68</b>			

Total Unpaid Bills Exhibit \$ 92,370.10

# Wells Fargo Simple Business Checking



Account number: ████████0485 ■ November 1, 2017 - November 30, 2017 ■ Page 1 of 7

THE YOGA CENTER LLC  
 DEBTOR IN POSSESSION  
 CH 11 CASE 17-42115(MN)  
 103 N 2ND ST  
 MINNEAPOLIS MN 55401-1420

## Questions?

Available by phone 24 hours a day, 7 days a week:  
 Telecommunications Relay Services calls accepted

**1-800-CALL-WELLS** (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: [wellsfargo.com/biz](http://wellsfargo.com/biz)

Write: Wells Fargo Bank, N.A. (300)  
 P.O. Box 6995  
 Portland, OR 97228-6995

## Your Business and Wells Fargo

Cash flow is a key indicator of the financial health of your business. Find tips and strategies for effective cash flow management at [wellsfargoworks.com](http://wellsfargoworks.com).

## Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to [wellsfargo.com/biz](http://wellsfargo.com/biz) or call the number above if you have questions or if you would like to add new services.

- Business Online Banking
- Online Statements
- Business Bill Pay
- Business Spending Report
- Overdraft Protection

## Activity summary

Beginning balance on 11/1	\$1,369.20
Deposits/Credits	137,326.41
Withdrawals/Debits	- 125,016.75
<b>Ending balance on 11/30</b>	<b>\$13,678.86</b>
Average ledger balance this period	\$19,397.20

Account number: **9238090485**

**THE YOGA CENTER LLC  
 DEBTOR IN POSSESSION  
 CH 11 CASE 17-42115(MN)**

*Minnesota account terms and conditions apply*

For Direct Deposit use  
 Routing Number (RTN): 091000019

For Wire Transfers use  
 Routing Number (RTN): 121000248

## Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo store.




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**Transaction history**

<i>Date</i>	<i>Check Number</i>	<i>Description</i>	<i>Deposits/ Credits</i>	<i>Withdrawals/ Debits</i>	<i>Ending daily balance</i>
11/1		Merchant Service Merch Dep 171031 8084207094 Yoga Center of Minneap	2,542.21		
11/1		Xcel Energy-MN Xcelenergy 00115325073 The Yoga Center LLC		663.88	3,247.53
11/2		Merchant Service Merch Dep 171101 8084207094 Yoga Center of Minneap	17,044.54		
11/2		Deposit	4,410.85		
11/2		Purchase authorized on 10/31 Yoga Alliance 571-4823343 VA S387304705168215 Card 5315		121.00	
11/2		Purchase authorized on 11/01 Google *Svcsapps_Y CC@Google.Com CA S387305776914272 Card 5315		90.00	
11/2		Merchant Service Merch Fee 171031 8084207094 Yoga Center of Minneap		3,326.24	
11/2	3092	Check		1,040.36	20,125.32
11/3		Merchant Service Merch Dep 171102 8084207094 Yoga Center of Minneap	8,985.66		
11/3		Recurring Payment authorized on 11/02 Mindbody, Inc 805-4762700 CA S587305413025702 Card 5315		783.00	
11/3	3093	Deposited OR Cashed Check		1,183.57	
11/3		Online Transfer Ref #lbend4Gikn to Personal Line of Credit xxxxxx2206 on 11/03/17		291.08	
11/3	3094	Check		5,000.00	
11/3	3096	Check		1,242.95	20,610.38
11/6		Merchant Service Merch Dep 171103 8084207094 Yoga Center of Minneap	5,738.84		
11/6		Merchant Service Merch Dep 171104 8084207094 Yoga Center of Minneap	2,223.05		
11/6		Adp Wage Pay Wage Pay 171106 608064887017Wpe Yoga Center LLC Yoga C	18.00		
11/6		Deposit Made In A Branch/Store	4,302.33		
11/6		Purchase authorized on 11/03 Amazon.Com Amzn.CO Amzn.Com/Bill WA S387306741311123 Card 5315		101.04	
11/6		Purchase authorized on 11/03 Amazon.Com Amzn.CO Amzn.Com/Bill WA S587306770654992 Card 5315		55.59	
11/6		Purchase authorized on 11/05 Amazon.Com Amzn.CO Amzn.Com/Bill WA S307306796795197 Card 5315		48.42	
11/6		Purchase authorized on 11/03 Street Fleet 612-6239999 MN S387307734397258 Card 5315		7.50	
11/6	3097	Deposited OR Cashed Check		1,141.36	31,538.69
11/7		Merchant Service Merch Dep 171106 8084207094 Yoga Center of Minneap	2,507.74		
11/7		Merchant Service Merch Dep 171105 8084207094 Yoga Center of Minneap	2,539.54		
11/7	3098	Check		496.11	
11/7	3095	Check		11,500.00	24,589.86
11/8		Merchant Service Merch Dep 171107 8084207094 Yoga Center of Minneap	2,736.96		
11/8		Online Dep Detail & Images - Bob		3.00	
11/8		Purchase authorized on 11/07 Store Supply 8008238887 MO S387310727074393 Card 5315		186.59	
11/8	<	Business to Business ACH Debit - MN Dept of Reven MN Rev Pay 171108 000000075629053 Yoga Center of Minneap		466.00	
11/8	3051	Check		5.00	
11/8	3099	Check		3,220.19	23,446.04
11/9		Merchant Service Merch Dep 171108 8084207094 Yoga Center of Minneap	2,229.44		
11/9		Deposit Made In A Branch/Store	179.73		
11/9		Purchase authorized on 11/08 Amazon.Com Amzn.CO Amzn.Com/Bill WA S587311710001073 Card 5315		80.12	
11/9		Purchase authorized on 11/09 Amazon Mktplace Pm Amzn.Com/Bill WA S467311722679851 Card 5315		20.27	

**Transaction history (continued)**

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
11/9		Purchase authorized on 11/08 Amazon Mktplace Pm Amzn.Com/Bill WA S587311759818857 Card 5315		67.78	
11/9		Purchase authorized on 11/08 Ultimate Events IN Plymouth MN S387312607844312 Card 5315		138.83	25,548.21
11/10		Merchant Service Merch Dep 171109 8084207094 Yoga Center of Minneap	2,853.44		
11/10		Purchase authorized on 11/09 Emi Audio Robbinsdale MN S467313687117592 Card 5315		130.11	
11/10		< Business to Business ACH Debit - Adp Payroll Fees Adp - Fees 171110 2Rwpe 8351827 Yoga Center LLC		266.64	28,004.90
11/13		Merchant Service Merch Dep 171110 8084207094 Yoga Center of Minneap	1,003.79		
11/13		Merchant Service Merch Dep 171111 8084207094 Yoga Center of Minneap	7,299.68		
11/13		Deposit Made In A Branch/Store	524.00		
11/13		Purchase authorized on 11/09 Good Stuff Moving Maplewood MN S307313828122238 Card 5315		456.00	
11/13		Purchase authorized on 11/10 USPS.Com Mover's G 800-238-3150 TN S587314563514614 Card 5315		1.00	
11/13		Purchase authorized on 11/10 The Home Depot #28 Plymouth MN S307314597520825 Card 5315		171.91	
11/13	3101	Check		121.12	
11/13	3102	Check		270.29	35,812.05
11/14		Merchant Service Merch Dep 171113 8084207094 Yoga Center of Minneap	1,923.91		
11/14		Merchant Service Merch Dep 171112 8084207094 Yoga Center of Minneap	3,881.98		
11/14		Deposit Made In A Branch/Store	349.66		
11/14		< Business to Business ACH Debit - Adp Tax Adp Tax 171114 Rowpe 111523A01 Yoga Center LLC		8,212.26	
11/14		< Business to Business ACH Debit - Adp Wage Pay Wage Pay 171114 944504749988Wpe Yoga Center LLC Yoga C		29,994.97	
11/14	3100	Check		782.00	2,978.37
11/15		Merchant Service Merch Dep 171114 8084207094 Yoga Center of Minneap	2,444.58		
11/15		Cashed/Deposited Item Retn Unpaid Fee		12.00	
11/15		Deposited Item Retn Unpaid - Paper 171115		180.00	
11/15		< Business to Business ACH Debit - Money Movers Inc Nihca 2A 171106 Es19877 The Yoga Center of Min		7.00	
11/15	3103	Check		1,398.00	3,825.95
11/16		Merchant Service Merch Dep 171115 8084207094 Yoga Center of Minneap	1,846.00		
11/16		Deposit Made In A Branch/Store	178.60		
11/16		Recurring Payment authorized on 11/15 Intuit *Qb Online 800-286-6800 CA S307319341410577 Card 5315		50.00	5,800.55
11/17		Merchant Service Merch Dep 171116 8084207094 Yoga Center of Minneap	8,834.15		
11/17		Xcel Energy-MN Xcelenergy 00091322602 The Yoga Center LLC		640.83	
11/17	3107	Check		3,000.00	10,993.87
11/20		Merchant Service Merch Dep 171117 8084207094 Yoga Center of Minneap	1,169.07		
11/20		Merchant Service Merch Dep 171118 8084207094 Yoga Center of Minneap	7,929.43		
11/20		Deposit	3,547.46		
11/20		Purchase authorized on 11/17 Street Fleet 612-6239999 MN S467321738057667 Card 5315		7.50	
11/20	3108	Check		334.49	
11/20		< Business to Business ACH Debit - Dlx for Business Bus Prod 171117 02041196532128 The Yoga Center LLC		308.26	
11/20	3109	Check		2,000.00	20,989.58
11/21		Purchase Return authorized on 11/15 Emi Audio Robbinsdale MN S617325543723591 Card 5315	11.83		


**Transaction history (continued)**

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
11/21		Merchant Service Merch Dep 171120 8084207094 Yoga Center of Minneap	1,658.86		
11/21		Merchant Service Merch Dep 171119 8084207094 Yoga Center of Minneap	2,184.95		
11/21		Deposit	100.00		
11/21	3106	Check		500.00	
11/21	3104	Check		6,000.00	18,445.22
11/22		Merchant Service Merch Dep 171121 8084207094 Yoga Center of Minneap	4,202.24		
11/22		Purchase authorized on 11/20 Good Stuff Moving Maplewood MN S587324700496382 Card 5315		969.00	
11/22	<	Business to Business ACH Debit - Centurylink Auto Pay 14232863127 Yoga Center of Minneap		89.12	21,589.34
11/24		Merchant Service Merch Dep 171122 8084207094 Yoga Center of Minneap	2,088.42		
11/24		Recurring Payment authorized on 11/23 Ctc*Constantcontac 855-2295506 MA S467327379944246 Card 5315		225.00	
11/24	<	Business to Business ACH Debit - Adp Payroll Fees Adp - Fees 171124 2RWpe 1229691 Yoga Center LLC		275.02	23,177.74
11/27		Merchant Service Merch Dep 171124 8084207094 Yoga Center of Minneap	80.00		
11/27		Merchant Service Merch Dep 171123 8084207094 Yoga Center of Minneap	1,868.78		
11/27		Merchant Service Merch Dep 171125 8084207094 Yoga Center of Minneap	6,885.99		
11/27		Deposit Made In A Branch/Store	4,380.66		
11/27	3110	Check		528.00	35,865.17
11/28		Merchant Service Merch Dep 171127 8084207094 Yoga Center of Minneap	3,110.94		
11/28		Merchant Service Merch Dep 171126 8084207094 Yoga Center of Minneap	8,327.95		
11/28	<	Business to Business ACH Debit - Adp Tax Adp Tax 171128 Rowpe 112924A01 Yoga Center LLC		5,186.70	
11/28	<	Business to Business ACH Debit - Adp Wage Pay Wage Pay 171128 740032212822Wpe Yoga Center LLC Yoga C		28,963.81	
11/28	3111	Check		1,500.00	11,653.55
11/29		Merchant Service Merch Dep 171128 8084207094 Yoga Center of Minneap	1,890.89		
11/29		Purchase authorized on 11/28 West Bend Mutual I 262-338-5054 WI S467332595216644 Card 5315		731.63	12,812.81
11/30		Merchant Service Merch Dep 171129 8084207094 Yoga Center of Minneap	1,162.20		
11/30		Deposit Made In A Branch/Store	128.06		
11/30		Purchase authorized on 11/29 Amazon.Com Amzn.CO Amzn.Com/Bill WA S307329060928247 Card 5315		45.46	
11/30		Purchase authorized on 11/29 Google *Adws924362 CC@Google.Com CA S467333482206302 Card 5315		359.65	
11/30		Transactions Fee		17.00	
11/30		Cash Deposited Fee		2.10	13,678.86
<b>Ending balance on 11/30</b>					<b>13,678.86</b>
<b>Totals</b>			<b>\$137,326.41</b>	<b>\$125,016.75</b>	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

< **Business to Business ACH:** If this is a business account, this transaction has a return time frame of one business day from post date. This time frame does not apply to consumer accounts.





**Summary of checks written** (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
3051	11/8	5.00	3098	11/7	496.11	3106 *	11/21	500.00
3092 *	11/2	1,040.36	3099	11/8	3,220.19	3107	11/17	3,000.00
3093	11/3	1,183.57	3100	11/14	782.00	3108	11/20	334.49
3094	11/3	5,000.00	3101	11/13	121.12	3109	11/20	2,000.00
3095	11/7	11,500.00	3102	11/13	270.29	3110	11/27	528.00
3096	11/3	1,242.95	3103	11/15	1,398.00	3111	11/28	1,500.00
3097	11/6	1,141.36	3104	11/21	6,000.00			

\* Gap in check sequence.

**Monthly service fee summary**

For a complete list of fees and detailed account information, see the Wells Fargo Account Fee and Information Schedule and Account Agreement applicable to your account (EasyPay Card Terms and Conditions for prepaid cards) or talk to a banker. Go to [wellsfargo.com/feefaq](http://wellsfargo.com/feefaq) for a link to these documents, and answers to common monthly service fee questions.

Fee period 11/01/2017 - 11/30/2017	Standard monthly service fee \$10.00	You paid \$0.00
<b>How to avoid the monthly service fee</b>	Minimum required	This fee period
Have any ONE of the following account requirements		
· Average ledger balance	\$500.00	\$19,397.00 <input checked="" type="checkbox"/>

c1/c1

**Account transaction fees summary**

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	3,700	3,000	700	0.0030	2.10
Transactions	84	50	34	0.50	17.00
<b>Total service charges</b>					<b>\$19.10</b>



**IMPORTANT ACCOUNT INFORMATION**

Periodically, it is necessary to update selected sections of the disclosures you received when you opened your business account. These updates provide you with the most up to date account information and are very important; so please review this information carefully and feel free to contact us with any questions or concerns.

**Effective Feb 15, 2018:**

If a business debit card or business ATM card purchase amount exceeds the current available balance\* in the primary linked checking or savings account when you are making a purchase, you may be able to use your available balance to pay for a portion of the total purchase. The transaction will be subject to a partial authorization daily purchase limit set by the bank and your card's daily dollar limit.

We will first try to approve the full amount of the purchase with available funds in your checking account, account(s) linked for Overdraft Protection, and, if you are enrolled, using debit card overdraft service.

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If this cannot result in an approval of the full amount of the purchase, the bank may approve a portion of the purchase using the remaining available funds in your checking account. This is called a "partial authorization." Here are some important details about partial authorizations:

- The remaining amount of the purchase total would need to be covered by another form of payment, such as cash or another card.
- If you are unable/unwilling to provide an additional form of payment, the partial authorization will be reversed by the merchant.
- Not all merchants are able to accept partial authorizations or process transactions using multiple forms of payment.

Thank you for being a Wells Fargo business customer. As a valued Wells Fargo customer we hope you find this information helpful. Again, if you have questions or concerns about these changes, please contact your local banker or call the number listed on your statement.

\*This balance may not reflect all of your transactions, such as checks you have written or debit card transactions that have been approved but not yet submitted for payment by the merchant.

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#### Reminder about effect of pending debit card transactions on your account

For each debit card transaction, we place an authorization hold and track the "pending" transaction until the merchant sends the final payment instruction to the bank. We receive final payment instructions for most transactions within one to two business days, but we generally must release the authorization hold after three business days. While pending, these transactions reduce your available balance. If transactions are presented for payment when your account has an insufficient available balance, you may be charged overdraft and/or insufficient fund (NSF) fees on those transactions. The bank will assess no more than eight (8) \$35 overdraft and/or NSF fees per day.

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#### New limits on Fees

Effective November 6, 2017, we will waive overdraft or returned item (Non-Sufficient Fund/NSF) fees on any transactions that are \$5 or less, regardless of your ending account balance. We will continue to waive overdraft fees on all posted transactions if both your ending daily account balance and your available balance are overdrawn by \$5 or less and there are no items returned for non-sufficient funds after all transactions have posted.



**General statement policies for Wells Fargo Bank**

■ Notice: Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058.

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

**Account Balance Calculation Worksheet**

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, withdrawal, ATM transaction, payment, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments or ATM transactions withdrawn from your account during this statement period.
3. Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

**ENTER**

A. The ending balance  
shown on your statement ..... \$ \_\_\_\_\_

**ADD**

B. Any deposits listed in your register or transfers into your account which are not shown on your statement. + \$ \_\_\_\_\_  
..... TOTAL \$ \_\_\_\_\_

**CALCULATE THE SUBTOTAL**

(Add Parts A and B)

..... TOTAL \$ \_\_\_\_\_

**SUBTRACT**

C. The total outstanding checks and withdrawals from the chart above ..... - \$ \_\_\_\_\_

**CALCULATE THE ENDING BALANCE**

(Part A + Part B - Part C)

This amount should be the same as the current balance shown in your check register ..... \$ \_\_\_\_\_

Number	Items Outstanding	Amount
<b>Total amount \$</b>		

# THE YOGA CENTER OF MINNEAPOLIS

## PROFIT AND LOSS

November 2017

	TOTAL
<b>Income</b>	
230 Hour	44,513.51
300 Hour	2,383.40
Beginning Yoga	1,230.00
Classes	41,212.32
Dharma	387.01
Membership	364.35
Rental Income - Facilities	4,366.00
Retail Sales	12,493.67
Specialty Series	775.81
Specialty Training	4,439.47
Workshops	11,169.50
Yoga Therapy Training	300.00
<b>Total Income</b>	<b>\$123,635.04</b>
<b>GROSS PROFIT</b>	<b>\$123,635.04</b>
<b>Expenses</b>	
Bank Service Charges	34.10
Cash Over/Short	-13.38
Credit card fees	3,326.24
Depreciation Expense	1,650.00
Equipment Rental	257.11
Independent Contractor	
Instructor Contractor	19,368.79
<b>Total Independent Contractor</b>	<b>19,368.79</b>
Insurance	
Liability Insurance	731.63
Work Comp	1,310.00
<b>Total Insurance</b>	<b>2,041.63</b>
Interest Expense	
Finance Charge	3,000.00
Loan Interest	1,398.00
<b>Total Interest Expense</b>	<b>4,398.00</b>
Marketing	
Website	1,457.65
<b>Total Marketing</b>	<b>1,457.65</b>
Miscellaneous	1,425.00
Office Supplies	225.26
Payroll Expenses	
Employer Payroll Taxes	4,057.82
Payroll Processing Fees	541.66
Salaries and Wages	
Accounting	3,988.44
Coordinators	15,731.87

	TOTAL
Front Desk	4,358.76
Office Manager	5,036.38
Owner	11,791.08
Teacher Wages	28,424.22
<b>Total Salaries and Wages</b>	<b>69,330.75</b>
<b>Total Payroll Expenses</b>	<b>73,930.23</b>
Postage and Delivery	65.00
Rent	
Rent-La Crosse	500.00
Rent-Nisswa	1,000.00
Rent-St Louis Park	29,000.00
<b>Total Rent</b>	<b>30,500.00</b>
Supplies	612.84
Telephone	480.53
Travel	
Lodging	334.49
<b>Total Travel</b>	<b>334.49</b>
Utilities	
Gas and Electric	640.83
<b>Total Utilities</b>	<b>640.83</b>
<b>Total Expenses</b>	<b>\$140,734.32</b>
<b>NET OPERATING INCOME</b>	<b>\$ -17,099.28</b>
<b>NET INCOME</b>	<b>\$ -17,099.28</b>

# THE YOGA CENTER OF MINNEAPOLIS

## BALANCE SHEET As of November 30, 2017

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Wells Fargo Checking	8,000.32
<b>Total Bank Accounts</b>	<b>\$8,000.32</b>
<b>Total Current Assets</b>	<b>\$8,000.32</b>
Fixed Assets	
Accumulated Depreciation	-127,463.00
Buildout 2013	16,983.17
Furniture and Fixtures	68,531.34
Leasehold Improvement	117,491.67
Software	13,171.87
STLP Buildout	75,965.14
<b>Total Fixed Assets</b>	<b>\$164,680.19</b>
Other Assets	
Deposit-Utility	3,934.00
Deposit-Velo	13,063.33
Goodwill	625,427.00
Loan Origination Fee	140,626.00
<b>Total Other Assets</b>	<b>\$783,050.33</b>
<b>TOTAL ASSETS</b>	<b>\$955,730.84</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
American Express	59,949.26
Wells Fargo Visa	36,356.14
<b>Total Credit Cards</b>	<b>\$96,305.40</b>
Other Current Liabilities	
Gift Certificates Outstanding	33,588.76
Karma Yoga Fund Donations	2,852.15
Line of Credit - Klein	150,000.00
Sales Tax Payable	476.45
<b>Total Other Current Liabilities</b>	<b>\$186,917.36</b>
<b>Total Current Liabilities</b>	<b>\$283,222.76</b>
Long-Term Liabilities	
Forward Financing Loan	73,699.88
Shareholder Loan - Neil	802,442.08
Shareholder Loan - Neil Interest	28,206.99
Signature Bank loan	150,461.00
Unpaid Guaranteed	70,000.00
Web Bank Loan	63,487.49

	TOTAL
<b>Total Long-Term Liabilities</b>	<b>\$1,188,297.44</b>
<b>Total Liabilities</b>	<b>\$1,471,520.20</b>
Equity	
Partner One Equity	-229,373.77
Partner One Draws	-33,961.18
<b>Total Partner One Equity</b>	<b>-263,334.95</b>
Partner Two Equity	512,569.84
Retained Earnings	-747,746.32
Net Income	-17,277.93
<b>Total Equity</b>	<b>\$ -515,789.36</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$955,730.84</b>



**THE YOGA CENTER OF MINNEAPOLIS  
Projections**

	Jan-Nov 2017 Actual	Dec 2017 projected	Total 2017	2018	2019	2020	2021
<b>Income</b>	1,444,189	77,362	1,521,551	1440000	1483200	1527696	1573527
<b>Expenses:</b>							
Cost of Goods Sold	42,869	350	43,219	60000	60000	60000	60000
Credit card fees	47,062	4,131	51,193	42000	42000	42000	42000
Dues and Subscriptions	1,124	2,125	3,249	1200	1200	1200	1200
Depreciation expense	18,150	1,650	19,800				
Equipment Rental	8,166		8,166	7200	7200	7200	7200
Health Insurance Premiums	957		957	3600	3600	3600	3600
Payroll/payroll taxes	890,441	54,780	945,221	744000	766320	789310	812989
Other payroll	37,377	11,000	48,377	153084	153084	153084	153084
Liability Insurance	7,193	566	7,759	6000	6000	6000	6000
Work Comp ins	5,564	782	6,346	2400	2400	2400	2400
Licenses and Permits	414	740	1,154	3600	3600	3600	3600
Marketing	20,278	1,098	21,376	30000	30000	30000	30000
Office Supplies	5,188	(82)	5,106	900	900	900	900
Payroll Processing Fees	7,794	504	8,298	7200	7200	7200	7200
Postage and Delivery	568	63	631	600	600	600	600
Professional fees	13,744		13,744	2400	2400	2400	2400
Property Tax	38,390		38,390	38400	38400	38400	38400
On the Road rent	23,783		23,783	12000	12000	12000	12000
SLP rent monthly + quarterly	94,744		94,744	162000	162000	162000	162000
MPLS rent	79,498		79,498				
Repairs	726	526	1,252	600	600	600	600
Sidewalk Maint	1,378		1,378	600	600	600	600
Supplies	3,120	251	3,371	6000	6000	6000	6000
Telephone	12,203	661	12,864	9000	9000	9000	9000
Transportation/Lodging	6,980		6,980				
Utilities	12,982	1,266	14,248	7200	7200	7200	7200
Debt payments/interest	80,955	586	81,541	84000	84000	84000	84000
<b>Total Expenses</b>	1461648	80,997	1,542,645	1383984	1406304	1429294	1452973
<b>Net income/(loss)</b>	(17,459)	(3,635)	(21,094)	56,016	76,896	98,402	120,554