

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI**

In re:)	In Proceedings Under Chapter 11
)	
JAY WOLFE USED CARS OF BLUE SPRINGS, LLC,)	Case no. 15-42654-can11
)	
Debtor.)	

**AMENDED DISCLOSURE STATEMENT
IN SUPPORT OF PLAN OF LIQUIDATION**

I. INTRODUCTION

This is the Amended Disclosure Statement (the “Disclosure Statement”) in the Chapter 11 case of Jay Wolfe Used Cars of Blue Springs, LLC (the “Debtor”). This Disclosure Statement contains information about the Debtor and describes the Amended Plan of Liquidation (the “Plan”).

The proposed distributions under the Plan are discussed at pages 7 – 8 of this Disclosure Statement.

This is a liquidating plan pursuant to which all of the Debtor’s assets shall be distributed to its creditors and the Debtor will cease any remaining business operations. The Debtor has administrative creditors who will be paid in full on the Effective Date unless they agree to different treatment. There will also be four (4) classes of creditors to be paid under the Plan, as it may be amended from time to time.

A. Purpose of This Document.

This Disclosure Statement will provide historical information concerning the Debtor, the Plan and current financial information. Because this is a liquidating plan, there will be no historical financial information provided, or pro formas of future operations.

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.

B. Deadlines for Voting and Objection; Date of Plan Confirmation Hearing.

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. Time and Place of Hearing to Approve Disclosure Statement

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on _____, 2016, at _____ .m., in Courtroom ____ at the Charles Evans Whittaker Courthouse, 400 E. Ninth Street, Kansas City, Missouri 64106.

2. *Deadline for Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to the address in subparagraph 4 below. See Section IV.A below for a discussion of voting eligibility requirements.

Your ballot must be received by _____ or it will not be counted.

3. *Deadline for Objecting to Adequacy of Disclosure Statement*

Objections to this Disclosure Statement must be filed with the Court and served upon the Debtor by mail at the address below on or before _____, **2016**.

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact:

Scott J. Goldstein, Esq.
Spencer Fane LLP
1000 Walnut Street
Suite 1400
Kansas City, Missouri 64106-2140
Phone: (816) 474-8100
Fax: (816) 474-3216
E-mail: sgoldstein@spencerfane.com

C. Disclaimer.

The Court may conditionally approve this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation and the fact that the Court approves this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court's approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan.

II. BACKGROUND

A. Description and History of the Debtor.

Debtor was founded as a used vehicle retailer and originator and servicer of subprime auto loans. It has operated under different names and/or trade names, including Future Finance Company, LLC, Saturn of Kansas City and Jay Wolfe Auto Outlet. It has operated out of two (2) principal locations, 1011 W. 103rd Street, Kansas City, Missouri, and 1500 S. Outer Road, Blue Springs, Missouri 64105.

Debtor is 100% owned by Jay Wolfe Imports, LLC ("JWI"). Debtor closed operations in December of 2013, and sold substantially all of its assets in early 2014 which consisted of loan portfolios. Most the proceeds from the sales of the loan portfolios were used to pay its secured

creditor. The sale of the loan portfolios was to Mid-Atlantic Finance Co., Inc., which is not related to Debtor or JWI.

Since that time, Debtor has continued to collect and liquidate its remaining loan portfolio and defend a lawsuit (as further described below).

In May 2012, Debtor filed a petition against Tyrell and Liane Jackson (the “Jacksons”) that had financed an automobile through Debtor to recover a deficiency balance following a Uniform Commercial Code sale in Jackson County Circuit Court in Kansas City, Missouri. The Jacksons filed a counterclaim against Debtor, alleging generally that the notices that Debtor sent them after their default violated Article 9 of the Uniform Commercial Code and the Missouri Motor Vehicle Time Sales Act. In addition to their own interests, the Jacksons purported to assert claims on behalf of a putative class of persons that received similar notices from the Debtor.

This litigation continued and was expensive to defend and substantially depleted assets of the Debtor.

Because of the same, Debtor determined to file Chapter 11, and address the Jackson claim using normal bankruptcy procedures. Therefore, on August 10, 2015, Debtor filed a Chapter 11 proceeding in the United States Bankruptcy Court in Delaware. Venue of the case was later transferred to the Western District of Missouri. Since that time, Debtor has amended its schedules and statements of financial affairs and filed its Debtor’s Motion for Order Fixing Final Date on Which to File Proofs of Claim, Approving Form of Claims Bar Date Notice, and Authorizing Debtor to Serve Claims Bar Date Notice (to which no objection was made by the Jacksons or anyone else), and obtain an Order, which is the next step in determining the claims against the Debtor and then proposing a liquidating plan to distribute Debtor’s assets.

The first list Debtor’s counsel received relating to what has been referred to in the Debtor’s Plan as the Consumer Creditors was approximately 540 potential claimants. Debtor sent out notices of the filing of the bankruptcy case to this list and approximately 209 were returned. Debtor was constantly then researching and updating addresses by using search tools to find better addresses and locations for potential claimants.

Debtor sent out additional notices thereafter, including the Consumer Creditor Bar Date Notice, and approximately 125 were returned. The bar date notice was also noticed in *USA Today* on January 7, 2016.

On February 3, 2016, the Jacksons filed a Motion to Apply Bankruptcy Rule 7023 and to Certify Class Claims (the “Class Motion”) asserting a claim for \$3,046,776.00.

B. Summary of the Plan.

This is a liquidating plan pursuant to which all of the Debtor’s assets shall be distributed to its creditors and the Debtor will cease any remaining business operations. The Debtor has administrative creditors who will be paid in full on the Effective Date unless they agree to different treatment. There will also be four (4) classes of creditors to be paid under the Plan, as it may be amended from time to time. Payments and distributions under the Plan will be funded by

the liquidation of the Debtor's assets. Debtor has assets consisting of cash and a loan portfolio which it is continuing to collect. Jay Wolfe shall make a contribution to fund the Plan. In return for the contribution, Jay Wolfe (as defined in the Plan) shall receive a release and the remaining assets of the Debtor, which consist of the loan portfolio at the Effective Date. The contribution shall be at least equal to the fair market value of the loan portfolio.

C. Projected Recovery of Avoidable Transfers.

Debtor does not believe there are any non-insider avoidance claims. Any insider avoidance claims, if any, shall be released in consideration for a contribution from JWI as described in the Plan.

D. Claims Objections.

Claims objections shall be resolved as set forth in the Plan. Certain claims as set forth therein are deemed allowed. Debtor reserves all rights regarding the "other" claims described in Class 1.

E. Current Financial Conditions.

This is a liquidating plan. Therefore, no historical financial information is necessary. As of August 31, 2016, Debtor held approximately \$266,421.79 in its bank accounts, and has a remaining loan portfolio with a face amount of \$47,709.54. These are the major remaining assets of Debtor. In addition, there are unpaid fees and expenses principally of counsel for the Debtor who has not yet filed a fee application.

F. Motion to Apply Bankruptcy Rule 7023 and to Certify Class Claims.

Pursuant to the Plan, this motion is resolved.

G. Release.

Pursuant to paragraph X.I. of the Plan, Debtor intends to provide releases to various parties as set forth below:

(1) RELEASES BY THE DEBTOR: EXCEPT FOR THE DEBTOR RETAINED CLAIMS, ON THE EFFECTIVE DATE, THE DEBTOR RELEASES THE RELEASED PARTIES FROM ALL RIGHTS, CLAIMS OR CAUSES OF ACTION BELONGING TO THE DEBTOR OR THE ESTATE THAT ARE BASED UPON, ARISE FROM AND/OR ARE RELATED TO EVENTS AND/OR CIRCUMSTANCES THAT OCCURRED OR EXISTED ON OR PRIOR TO THE EFFECTIVE DATE OF THE PLAN RELATING IN ANY WAY TO THE DEBTOR AND ITS ESTATE, THE CHAPTER 11 CASE, THIS PLAN AND ANY TRANSACTIONS BETWEEN THE DEBTOR AND THE RELEASED PARTIES, OR ANY OF THEM (COLLECTIVELY, THE "DEBTOR RELEASED CLAIMS."). FOR THE AVOIDANCE OF DOUBT, THE DEBTOR RELEASED CLAIMS INCLUDE, BUT ARE NOT LIMITED TO (i) ALL CLAIMS AGAINST THE CONSUMER CREDITORS ON ACCOUNT OF JUDGMENTS FOR ALLEGED DEFICIENCY BALANCES ARISING FROM DEFAULTED

AUTOMOBILE LOANS; (ii) ANY CLAIM THAT MIGHT BE ASSERTED AGAINST JAY WOLFE ON THE BASIS OF VEIL PIERCING, ALTER EGO OR SIMILAR THEORIES (THE "ALTER EGO CLAIMS"), AND (iii) ANY AVOIDANCE CLAIMS OF ANY KIND OR NATURE INCLUDING BUT NOT LIMITED TO THOSE ARISING UNDER 11 U.S.C. 544, 545, 547, 548, 549 AND/OR 550 AND BREACH OF FIDUCIARY DUTY CLAIMS ARISING UNDER STATE LAW. FURTHERMORE, AND FOR THE AVOIDANCE OF FURTHER DOUBT, THE CONSIDERATION PROVIDED BY JAY WOLFE, AND THE GRANTING OF THE RELEASES CONTAINED HEREIN, IS BASED UPON THE EXPRESS UNDERSTANDING THAT ANY ALTER EGO CLAIMS ARE HELD SOLELY BY THE DEBTOR AND ITS ESTATE, AND THAT NO THIRD PARTY HOLDS OR IS ENTITLED TO ASSERT ANY SUCH ALTER EGO CLAIMS DIRECTLY OR DERIVATIVELY AGAINST JAY WOLFE. *SEE IN RE BRIDGE INFORMATION SYSTEMS, INC.*, 325 B.R. 824 (BANKR.E.D.MO. 2005). TO THE EXTENT THAT ANY SUCH ALTER EGO CLAIMS ARE FOUND BY A COURT OF COMPETENT JURISDICTION TO BE HELD BY A PARTY OTHER THAN THE DEBTOR OR ITS ESTATE, THEN THE RELEASES IN FAVOR OF JAY WOLFE CONTAINED HEREIN SHALL BE DEEMED TO BE A RELEASE BY ANY PERSON OR ENTITY ASSERTING SUCH ALTER EGO CLAIM AND A PERMANENT INJUNCTION AGAINST ANY ALTER EGO CLAIMS THAT MAY BE PURSUED BY ANY PERSON OR ENTITY.

(2) RELEASES BY THE RELEASED PARTIES: EXCEPT FOR (i) THE DEBTOR RETAINED CLAIMS AND (ii) ANY ALLOWED CLAIMS, ON THE EFFECTIVE DATE, EACH RELEASED PARTY RELEASES ALL OTHER RELEASED PARTIES AND THE DEBTOR FROM ANY AND ALL CLAIMS, RIGHTS, CAUSES OF ACTION, DEBTS, OBLIGATIONS, DEMANDS, LIABILITIES, SUITS, JUDGMENTS, DAMAGES, RIGHTS AND REMEDIES WHATSOEVER (OTHER THAN THE RIGHT TO ENFORCE THE OBLIGATIONS UNDER THIS PLAN), WHETHER DIRECT OR INDIRECT, LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, WHENEVER ARISING, IN LAW, EQUITY OR OTHERWISE OF ANY KIND THAT COULD HAVE BEEN ASSERTED, MAY BE ASSERTED PRESENTLY OR MIGHT BE ASSERTED IN THE FUTURE THAT EXISTED ON OR PRIOR TO THE EFFECTIVE DATE RELATED IN ANY WAY TO THE CLAIMS OF CONSUMER CREDITORS, THE SETTLEMENT AGREEMENT, THIS PLAN, THE DEBTOR OR ITS ESTATE. FOR THE AVOIDANCE OF DOUBT THE RELEASES INCLUDED HEREIN INCLUDE (i) ANY CLAIMS OF THE CONSUMER CREDITORS AGAINST THE DEBTOR AND/OR JAY WOLFE ARISING OUT OF AUTOMOBILE PURCHASE AND FINANCING TRANSACTIONS, INCLUDING THOSE CLAIMS ASSERTED IN THE STATE COURT CLASS ACTION; AND (ii) THE CLAIMS SET FORTH IN THE PROOFS OF CLAIM FILED IN THIS CASE BY JAY WOLFE.

(3) **RELEASES AND INJUNCTIONS IN FAVOR OF RELEASED PARTIES:** ON THE EFFECTIVE DATE OF THE PLAN, ON ACCOUNT OF THE COMPROMISES AND CONSIDERATION PROVIDED TO THE DEBTOR, ITS ESTATE AND THIS PLAN, AS DESCRIBED HEREIN, EXCEPT AS PROVIDED FOR IN THIS PLAN, ALL PERSONS AND ENTITIES SHALL RELEASE THE RELEASED PARTIES FROM, AND SHALL BE ENJOINED FROM PURSUING, ANY AND ALL CLAIMS, RIGHTS, CAUSES OF ACTION, DEBTS, OBLIGATIONS, DEMANDS, LIABILITIES, SUITS, JUDGMENTS, DAMAGES, RIGHTS AND REMEDIES WHATSOEVER (OTHER THAN THE RIGHT TO ENFORCE THE OBLIGATIONS UNDER THIS PLAN), WHETHER DIRECT OR INDIRECT, LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, WHENEVER ARISING, IN LAW, EQUITY OR OTHERWISE OF ANY KIND THAT COULD HAVE BEEN ASSERTED, MAY BE ASSERTED PRESENTLY OR MIGHT BE ASSERTED IN THE FUTURE THAT EXISTED ON OR PRIOR TO THE EFFECTIVE DATE RELATED IN ANY WAY TO THE CLAIMS OF CONSUMER CREDITORS, THE SETTLEMENT AGREEMENT, THIS PLAN, THE DEBTOR OR ITS ESTATE.

III. SUMMARY OF THE PLAN AND TREATMENT OF CLAIMS

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.

B. Unclassified Claims.

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:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor's Chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment. As heretofore dated, the only substantial expense is fees and expenses of the Debtor's counsel.

Under the Plan, funds remaining in the Debtor's bank accounts after payment of accrued post-petition expenses owed on the Effective Date, will be used to pay administrative claims.

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

Each holder of a § 507(a)(8) priority tax claim, to the extent that such creditors exist, will be paid in full on the Effective Date.

C. **Classes of Claims.**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

Class 1. *General Unsecured Creditors*

The Consumer Creditors' Claim shall be \$540,000 (\$350,000 plus \$190,000) which shall include an allowed unsecured claim for Irwin for \$350,000 and an allowed unsecured claim for Consumer Creditors who made post-default payments as set forth on the Settlement Chart for \$190,000, and which shall include an allowed unsecured claim for the Jacksons for \$8,000.¹ Other creditors other than the claims of the Consumer Creditors and Irwin are estimated to be approximately \$60,000 (Debtor reserves all rights to object to any such claims of other creditors). The Debtor estimates there will be approximately \$100,000 remaining in the estate (as a combination of cash and remaining loans receivable which are to be purchased by Jay Wolfe) from which a distribution to Class 1 can be made. As further set forth herein, as partial consideration for the releases granted to Jay Wolfe, Jay Wolfe shall make a substantial contribution to the case equal to \$200,000 as further described herein. This will result in a distribution to Class 1 of approximately 45-50% of their allowed unsecured claims. In addition, as to the Consumer Creditors:

- Any debts/judgments against any Consumer Creditors shall be released. The Debtor has done the following with respect to 1099s: (i) filed a motion to compromise and settle the claims which included specific findings that have in the past resulted in IRS determinations that no 1099s need be provided, and obtained an order from the Bankruptcy Court specifically finding that no 1099s need be provided; (ii) even though the IRS has been receiving notices in this case, amended the schedules to add the IRS as a creditor and provided the IRS timely notice of the motion to compromise and settle and of the Plan, which included determinations that no 1099s are to be provided to Consumer Creditors; and (iii) shall take such other action as the Debtor reasonably deems necessary to bind the IRS to a determination that no 1099s need be issued. As a result of the confirmation of this Plan, it shall be included in the order confirming the Plan that no 1099s need or can be issued.

¹ Debtor shall add Anna L. Davis to the list to be included as a Consumer Creditor relating to Case No. 0716-CV06409, after confirming she fits within the putative class.

- The Debtor and/or Norris will take the necessary action to notify credit reporting agencies the indebtedness owed by any Consumer Creditor has been released. As to Norris, he only reports to TransUnion, and will report a code consistent with its system such as a universal data form with the “Delete” box checked;
- Norris will use his best efforts to set aside on behalf of certain of the Consumer Creditors, or otherwise, the approximately 134 judgments that were entered against such Consumer Creditors and set forth on the Settlement Chart. The procedure shall be set forth in the Confirmation Order, and shall include the steps to be taken by Norris and limit his obligations (such as not appealing any adverse decision by a judge refusing to approve the requested action).
- The distribution regarding the Consumer Creditors shall be on a pro rata basis. The Debtor shall be responsible for making the pro rata payments, periodically reporting to the Bankruptcy Court as those distributions are made, locating the Consumer Creditors and, to the extent necessary, redistribution of funds to the extent they cannot be located. If Consumer Creditors cannot be located, any distribution to which any such creditor may have been entitled shall be distributed to the other Consumer Creditors who made payments post-default.

Class 2. *Priority Wage Claims*

Debtor does not believe there are any Class 2 claims. To the extent there are any such claims, they shall be paid in full on the Effective Date. The Class 2 claims are unimpaired.

Class 3. *JWI*

JWI shall not be paid anything on its claim. Jay Wolfe shall make a contribution on behalf of all Jay Wolfe entities (including JWI) to fund the Plan. In return for the contribution, Jay Wolfe or an entity designated by Jay Wolfe shall receive a release as set forth in the Plan and the remaining assets of the Debtor, generally consisting of the remaining loans which Debtor owns at the Effective Date. The Class 3 claim is impaired.

As partial consideration for the releases granted to Jay Wolfe under the Plan, not later than ten (10) days before the Effective Date of the Plan, Jay Wolfe or its designated affiliate will remit \$200,000 to the Debtor and will also purchase the remaining loans as set forth herein, which will convert them to cash to become a part of the amount to be distributed to creditors under the Plan; provided, however, that Jay Wolfe will incur no additional costs in connection with the case. For clarity, Jay Wolfe will make the following contributions/payments: (i) Jay Wolfe will pay the face value of the open loans receivable as of the Effective Date; (ii) Jay Wolfe will make an additional \$200,000 contribution (as set forth above) that may be used, along with the proceeds of the sale of the loans receivable, to pay estate costs on unsecured claims (including the agreed allowed claims described herein); and (iii) will release its claims against the Debtor, including but not limited to any claims asserted in its Proof of Claim. Any costs of administering the case under the Plan, and including costs associated with distributions to creditors or costs associated with seeking an IRS ruling (if pursued), shall not be paid by Jay Wolfe nor shall it be liable for any such costs. Jay Wolfe does not guarantee any minimum

recovery to creditors, and aside from the payments described herein, shall not be responsible for any additional monetary contributions to the estate or its creditors under the Plan or otherwise.

Class 4. The equity interest of JWI shall be extinguished and JWI shall receive nothing on its interest. This class is impaired and shall be deemed to reject the Plan.

D. Means of Implementing the Plan.

1. Source of Payments

Payments and distributions under the Plan will be funded by the liquidation of the Debtor's assets and the contribution to be made by JWI.

2. Post-confirmation Management.

On the Effective Date, the Debtor will have liquidated all of its assets and will have no further need for any management.

E. Risk Factors.

The Plan has no risk factors.

F. Executory Contracts and Unexpired Leases.

All leases and executory contracts are deemed rejected on Confirmation. A proof of claim arising from the rejection of an executory contract or unexpired lease under this section must be filed not later than thirty (30) days after the date of the order confirming this Plan.

G. Tax Consequences of Plan.

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.

The following are anticipated tax consequences of the Plan:

1. Tax Consequences to the Debtor of the Plan.

The Debtor does not believe that the Plan will have any material tax effect upon the Debtor.

2. General tax consequences on creditors of any discharge.

Pursuant to 11 U.S.C. § 1141(d)(3), the Debtor will not receive a discharge under the Plan.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in 11 U.S.C. § 1129, which Debtor believes it will be able to meet.

A. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors who do not accept the Plan will receive at least as much under the Plan as such claim would receive in a Chapter 7 liquidation. Because of the contribution by JWI, Debtor believes this requirement will be met.

B. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan. This is a liquidating plan.

V. EFFECT OF CONFIRMATION OF PLAN

A. Discharge of Debtor.

Discharge. Pursuant to 11 U.S.C. §1141(d)(3), the Debtor will not receive a discharge under the Plan.

B. Modification of Plan.

The Debtor may modify the Plan at any time before confirmation of 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. Implementation of the Plan.

Pursuant to 11 U.S.C. § 1142(a) and (b), the Debtor shall carry out the Plan and shall comply with any orders of the Court. In addition, the Court shall, if necessary, direct the Debtor and any other necessary party to execute or deliver, or to join in the execution or delivery of any instrument required to effect a transfer of property dealt with by the Plan, and to perform any other act, including the satisfaction of any lien, that is necessary for the consummation of the Plan.

D. Final Decree.

Once the estate has been fully administered, the Debtor shall comply with Rule 3022 of the Federal Rules of Civil Procedure.

VI. GENERAL PROVISIONS

A. Definitions and Rules of Construction.

The definitions and rules of construction set forth in 11 U.S.C. §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

- (a) “Administrative Expense” shall mean any cost or expense of administration of Chapter 11 allowed under 11 U.S.C. § 503(b).
- (b) “Allowed Claim” shall mean (a) an unsecured claim against the Debtor which is set forth in the Debtor’s schedules other than an unsecured claim against the Debtor scheduled by the Debtor as unknown, disputed, contingent or unliquidated; (b) an unsecured claim against the Debtor which has been filed pursuant to 11 U.S.C. § 501, and with respect to which no objection to the allowance thereof has been interposed within the deadlines set forth in this Plan, or as to which any objection has been determined by Final Order. Allowed Claims may include, but are not limited to, claims that arise from the rejection of executory contracts.
- (c) “Allowed Secured Claim” shall mean an Allowed Claim secured by property of the Debtor.
- (d) “Class” shall mean any class of creditors described in Article IV of the Plan.
- (e) “Code” shall mean the Title 11 of the United States Code, 11 U.S.C. § 101, et seq., and any amendments thereof.
- (f) “Confirmation” shall mean the entry by the Court of an order confirming the Plan in accordance with Chapter 11 of the Code.
- (g) “Confirmation Date” shall mean the date on which the Plan is confirmed by the Bankruptcy Court.
- (h) “Confirmation Order” shall mean a Final Order of the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Code.
- (i) “Consensual Plan” shall mean the confirmation of the Plan with the acceptance of all classes of creditors required to vote on the Plan. The Plan shall receive the acceptance of all classes of creditors provided two-thirds majority in the dollar amount of claims voting and a majority in number of claims voting vote to accept the Plan.
- (j) “Consumer Creditors” shall include the creditors listed on the Settlement Chart, as it may be amended, updated or revised, to add, but not to subtract any creditors without approval of the Bankruptcy Court. The Consumer Creditors include everyone on the Settlement Chart, and/or were identified in the Debtor’s schedules, as amended, plus anyone else whether identified or not who may have a similar claim, including any claim arising from allegedly improper notices of default pursuant to Article 9 of the Uniform Commercial Code and/or the Missouri Motor Vehicle Time Sales Act. To the best of the Debtor’s knowledge, information and belief, all such creditors have been identified and the Debtor has attempted to provide notice to each creditor.

- (k) “Consumer Creditors Claim” shall mean the allowed claim of the Consumer Creditors as described in Class 1.
- (l) “Contested Claim” shall mean shall mean any Claim which has been scheduled by the Debtor as disputed, contingent, or unliquidated or any Claim as to which an objection to the allowance thereof has been or will be filed within the deadline for filing of such objections provided in the Plan. Contested Claims shall be treated as provided in the Plan until allowance or disallowance of such claim has been determined by a Final Order. Contested claims include claims which the Debtor believes should be objected to in whole or in part. Contested claims further include any claims held by creditors against whom the Debtor believe actions may be brought under 11 U.S.C. §§ 544, 547, 548 or 549.
- (m) “Cramdown” shall mean confirmation of the Plan under the provisions of the Bankruptcy Code which permit the Court to confirm the plan even if one or more impaired classes vote against the Plan, provided the Plan is fair and equitable, the rejecting class is afforded certain treatment defined by the Bankruptcy Code, and at least one impaired class of creditors votes to accept the Plan by a two-thirds majority in the dollar amount of claims voting and a majority in number of claims voting. In order to be fair and equitable with respect to the unsecured creditors, the Plan must either provide the rejecting class of creditors the full value of their claim or if they do not receive the full value of their claims, no junior class of creditor or interest holder may receive or retain anything on account of their claims or interests.
- (n) “Debtor Retained Claims” means the automobile loans which are currently being held and serviced by the Debtor and which will be transferred to Jay Wolfe for valuable consideration as further set forth in this Plan.
- (o) “Disallowed Claim” shall mean any claim or portion thereof that has been disallowed by a Final Order of the Bankruptcy Court.
- (p) “Disputed Claim” shall mean any claim which has been scheduled by the Debtor as unknown, disputed, contingent or unliquidated, or any claim as to which an objection has been filed and allowance or disallowance of such claim has not been determined by a Final Order.
- (q) “Final Order” shall mean an order or a judgment as to which the time to appeal or seek review or rehearing has expired. In the event that an appeal or petition for rehearing is filed, an order or judgment shall be final unless an Order enters granting a stay pending appeal or petition for rehearing.
- (r) “Income” shall mean all income of the Debtor in accordance with Generally Accepted Accounting Principles (“GAAP”), and/or as provided by the Internal Revenue Code, 26 U.S.C. §1001, et seq., whichever is applicable.
- (s) “Irwin” shall mean Dale Irwin, the Jacksons’ counsel.

- (t) “Jacksons” shall mean Liane K. Jackson and Tyrell C. Jackson, putative class claimants and representatives of the putative class.
- (u) “Jay Wolfe” shall mean Jay Wolfe Automotive Group, LLC, and, except for the Debtor, each of Jay Wolfe Automotive Group, LLC’s affiliates (including JWI), parents, subsidiaries, successors, and including Jay Wolfe’s officers, directors, owners, managers and representatives, and Jay Wolfe’s respective attorneys, accountants and other advisors (solely in their respective capacities as such).
- (v) “Market Rate” shall mean that annual rate of interest determined by the Court which will allow the holder of a secured claim to receive deferred cash payments totaling at least the allowed amount of such claim of the value as of the Effective Date of at least the value of such holder’s interest in the estate’s interest in property of the estate. With respect to any claim holder which receives a Market Rate of interest and whose claim is secured by property of the estate, such claim holder shall retain its lien on the property securing its claim, unless the Plan, the Court or an agreement with the claim holder provides otherwise.
- (w) “Norris” means Todd Norris, former collection counsel for the Debtor.
- (x) “Personal Property” shall mean all of the Debtor’s personal property as identified on the Debtor’s Schedules filed in connection with its Bankruptcy Case.
- (y) “Petition Date” shall mean August 10, 2015, the date upon which the Debtor filed for relief.
- (z) “Post-petition” shall mean anytime on or subsequent to August 10, 2015.
- (aa) “Preference Recovery Funds.” All net proceeds from the prosecution of any and all claims pursuant to 11 U.S.C. §§ 544, 547, 548, 549, and 550, in the event the Debtor pursues such claims or actions under the Bankruptcy Code, after payment of legal fees and expenses.
- (bb) “Pre-petition” shall mean any time prior to August 10, 2015.
- (cc) “Pro Rata” shall mean with respect to any claimant, the percentage which the allowed Claim of a creditor bears to the sum of all Allowed Claims in the same class as such Allowed Claim.
- (dd) “Released Parties” shall mean (i) Jay Wolfe and, except for the Debtor, each of Jay Wolfe’s affiliates (including JWI), parents, subsidiaries, successors, and including Jay Wolfe’s officers, directors, owners, managers and representatives, and Jay Wolfe’s respective attorneys, accountants and other advisors (solely in their respective capacities as such); (ii) the law firm of Simpson Logback Lynch and Norris, P.A. and its partners, principals, attorneys and employees; (iii) the Consumer Creditors and their respective attorneys (including but not limited to Irwin, Bruce Strauss, Esq. and their firms), and all of their accountants and advisors (solely in their capacity as such).

- (ee) “State Court Class Action” shall mean that certain proceeding captioned Tyrell C. Jackson, et al. v. Jay Wolfe Used Cars of Blue Springs, LLC d/b/a Jay Wolfe Auto Outlet, which is currently pending in the Circuit Court of Jackson county, Missouri *(Case No. 1216-CV13289).
- (ff) “Unimpaired” A class of claims or interests is “unimpaired” in accordance with 11 U.S.C. §1124 if the legal, equitable and/or contractual rights of the holders of such claims or interests are not altered under the Plan.
- (gg) “Unsecured Claims” shall mean the Allowed Claims against the Debtor which are unsecured and which are other than Allowed Priority Claims and Allowed Administrative Expenses, and shall include any Deficiency Claim(s) arising to the holder of an Allowed Secured Claim, pursuant to the provisions of 11 U.S.C. §506, after a hearing pursuant to the applicable Federal Rules of Bankruptcy Procedure or resulting from any agreement reached between the Claimant and the Debtor in which it was determined that the value of the collateral securing the claim was less than the Allowed Claim.
- (hh) “Unsecured Creditors” shall mean the holders of allowed Unsecured Claims against the Estate.

A. Effective Date of Plan.

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

B. Severability.

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

C. Binding Effect.

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

D. Captions.

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

E. Controlling Effect.

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

DATED this 19th day of October, 2016.

JAY WOLFE USED CARS OF BLUE
SPRINGS, LLC

SPENCER FANE, LLP

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