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**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

IN RE:)	
INTEGRITY MILLWORK, INC.)	Case No. 16-61061-11
)	
THE MILLWORK SHOPPE, INC.)	Joint Administration
)	
Debtor(s).)	

JOINT COMBINED PLAN AND DISCLOSURE STATEMENT
OF INTEGRITY MILLWORK, INC. and THE MILLWORK SHOPPE, INC.
FOR CHAPTER 11 REORGANIZATION
(Joint Administration of Bankruptcy Cases)

I. INTRODUCTION

INTEGRITY MILLWORK, INC. (“Integrity”) and THE MILLWORK SHOPPE, INC. (“Millwork”) Debtors, herein or sometimes referred to herein collectively as the Debtor, hereby present and propose the following Combined Plan and Disclosure Statement (for ease of reference, the combined Plan and Disclosure Statement will be referred to as the “Plan”) in the jointly administered bankruptcy cases of Integrity and Millwork filed under Chapter 11 of the Bankruptcy Code (the “Code”). Subject to the restructuring transactions contemplated by this Plan Debtor proposes to pay Creditors of the Joint Debtors from its projected and allocated cash flow from Debtor’s continued operation of its business,

This Combined Plan and Disclosure Statement provides detailed information regarding the terms for payment of the Debtor’s creditors and other information designed to assist creditors and equity security holders in determining whether to accept the Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)** This Combined Plan and Disclosure Statement is subject to final approval pursuant to 11 U.S.C. Section 1125 by the United States Bankruptcy Court for the Western District of Missouri as containing adequate information to enable creditors and interest holders to determine whether to accept the Debtor’s Plan. Issues relating to the merits of the Combined Plan and Disclosure Statement will be the subject of a Confirmation Hearing to be scheduled in the future with notice to all parties. The Court may conditionally approve the Disclosure Statement portion of this Plan without a Hearing by entry of an Order and notice conditionally determining that the information provides adequate information and that a separate Disclosure Statement is not necessary.

All creditors should refer to Articles III and IV of this Plan for information regarding the precise treatment of their claims. In general this Plan provides for the payment of administrative and priority claims and also provides for two (2) classes of secured claims; one (1) class of unsecured claims; one (1) class of subordinated claims, and one (1) class of equity holders. This Plan provides for payment to unsecured creditors with allowed claims an aggregate cash payment of \$0.20 (20%) of their allowed claim, provided, however, the aggregate amount of all payments to be distributed to such creditors shall not exceed \$50,000.00, in which case each allowed claim shall receive the holder’s prorata share of \$50,000.00. Payments to unsecured creditors shall be made over a five (5) year period with prorata payments distributed quarterly on the 15th day of January, April, July, and October of each year beginning January of 2018 and continuing on the same day of each month and quarter until all distributions are made.

A. Purpose of This Document

This Plan describes:

- The Debtor and significant events during the bankruptcy case.
- Historical information regarding the Debtor and the events leading to its bankruptcy filing.

- How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest if the Plan is confirmed).
- Who can vote on or object to the Plan.
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan.
- Why the Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you should receive on your claim or equity interest in liquidation.
- The effect of confirmation of the Plan.

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

The Court has not yet confirmed the Plan. This section describes the procedures under which the Plan will or will not be confirmed.

1. Time and Place of the Hearing to Confirm the Plan/Approve Adequacy of Disclosure Statement. Pursuant to Local Rule 3016-2B of the United States for the Western District of Missouri the Bankruptcy Court may conditionally approve the Disclosure Statement without a hearing by entry of an *Order and Notice Conditionally Determining That Plan Provides Adequate Information and That Separate Disclosure Statement is Not Necessary and Setting Hearing on Confirmation and Related Matters* (hereinafter the “Conditional Order and Notice on the Plan”). The hearing at which the Court will consideration confirmation of the Plan and determination of the adequacy of disclosure set forth in the Plan will take place on the date and at the time set forth in the Conditional Order and Notice on the Plan. The hearing will be held at the U.S. Courthouse, Bankruptcy Courtroom, 2nd Floor, 222 John Q. Hammons Parkway, Springfield, Missouri 65806.

2. Deadline For Voting to Accept or Reject the Plan. If you are entitled to vote or reject the Plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to David E. Schroeder, 1524 E. Primrose, Suite A, Springfield, MO 65804. See Section IX.B. below for a discussion of voting eligibility requirements. **Your ballot must be received by the deadline set forth in the Order and Notice Conditionally Determining That The Plan Provides Adequate Information and Setting Hearing on Confirmation and Related Matters or your ballot will not be counted.**

3. Deadline for Objecting to the Adequacy of Disclosure Statement and Confirmation of Plan. Objections to the adequacy of the disclosures stated in this Plan and to confirmation of the Plan must be filed with the Court and served upon David E. Schroeder, 1524 E. Primrose, Suite A, Springfield, MO 64804, by the deadline set forth in the Conditional Order and Notice on the Plan or it will not be considered at the hearing.

4. Identity of Person to Contact for More Information. If you want additional information about the Plan, you should contact David E. Schroeder, Attorney for Debtor, 1524 E. Primrose, Suite A, Springfield, MO 65804, telephone (417) 890-1000, Fax (417) 886-8563, or email at bk1@dschroederlaw.com.

II. BACKGROUND

A. Description of the Debtor’s Past Financial Affairs and Events Leading to Chapter 11 filing.

1. Integrity Millwork, Inc. This Missouri corporation was originally formed in July 2004 by Michael Morrison with stock ownership owned by individual Joann Morrison who is the wife of Michael Morrison. Michael Morrison has always served as President. The Company was formed for the acquisition for commercial milling equipment for fabricating residential and commercial cabinetry, moulding, and trim in conjunction and for the affiliated Company of The Millwork Shoppe, Inc. The Company elected tax status as a Sub-Chapter S corporation. In tax year 2010 the business operation of Integrity was consolidated with the business operation of Millwork and since that date Integrity has not filed any separate Federal or State tax returns or maintained any separate employees or maintained any separate bank accounts. At the time of the consolidation the assets of Integrity consisted mainly of certain equipment yet to be fully depreciated but be utilized by Millwork. On the bankruptcy petition date Integrity continued to own one (1) separate piece of equipment with a remaining depreciable basis however same is

reported on the Millwork tax return.

2. The Millwork Shoppe, Inc. This Missouri corporation was originally formed under the name of Prestige Millwork, Inc. in March of 1993. It was organized by Michael Morrison who has served as President from its inception with its stock owned by individual Joann Morrison. It was formed for the purpose of engaging in the commercial enterprise of fabricating and selling residential and commercial cabinetry, moulding, and trim.

3. Factors Contributing to the Filing of Chapter 11 Reorganization Proceeding. Upon information and belief Debtor's business operations were growing prior to April of 2012 which led Debtors to seek a consolidation and relocation of all of its business operations to one location. Debtors formed a separate entity for real estate acquisition known as MGM Development, LLC. Millwork, Integrity, and MGM sought to obtain financing from Guaranty Bank to allow for the purchase of real property in Ozark, Missouri. Subsequently real estate was acquired however Guaranty Bank refused to provide all previous represented financing and ultimately foreclosed upon the collateral real estate. Subsequent to the foreclosure Guaranty Bank filed an action against Debtors' Guarantors Michael Morrison and Joann Morrison. Debtor was advised by counsel for Debtors separate Guarantors that Debtors may be necessary parties to the State Court litigation and also may have same or similar defenses and counterclaims against Guaranty Bank.

In addition prior to the petition date and in furtherance of Debtor's business plan of growing its business and relocation of its business, Debtor Millwork Shoppe purchased assets and entered into a lease with Creative Associates Inc. Debtors subsequently consolidated the separate business location and defaulted in the lease payments however asserted a claim against Creative Associates. Creative Associates initiated an action in the Circuit Court of Greene County, Missouri and secured an Order for possession of the leased property and a Judgment for back rent of \$116,041.00 and legal fees. The Greene County Circuit Court dismissed Millworks counterclaim as a permissible counterclaim not a compulsory counterclaim but the claim was not lost. Upon information and belief Millworks has a counterclaim for the interference with business relations and incurred substantial damages as a result. Prior to the petition date the judgment creditor proceeded with collection action including an attempt to garnish the operating account of Millwork and Debtor elected to file for relief under Chapter 11 to reorganize and restructure its financial obligations and filed joint bankruptcy petitions on October 27, 2016.

B. Insiders of the Debtor

Insiders of the Debtor, as the term is defined in Code Section 101(31), are described in the following categories:

1. Shareholders. The equity ownership of both Integrity and Millwork (the "shareholder interest") is owned by Joann Morrison. Michael Morrison is employed by the joint debtors but receives no regular compensation. The Morrisons are also guarantors on the outstanding obligations asserted by Guaranty Bank.

2. Co-Obligors. Both Integrity and Millwork are co-borrowers on loans outstanding to Guaranty Bank with each having granted a security interest to Guaranty Bank.

C. Management of the Debtor Before and During the Bankruptcy

The Debtor has remained in control of all of Debtor's assets. During the Debtor's Chapter 11 case Debtor has continued to remain in control of the management of its business operations.

D. Significant Events During the Bankruptcy Case

1. Adequate Protection and Use of Cash Collateral. On November 22, 2016 the Debtors and Guaranty Bank entered into a Stipulation for Adequate Protection and Use of Cash Collateral and the Stipulation was approved by the Court. Debtor is current under all terms of the Stipulation.

2. Motion for Determining Value of Liens of Guaranty Bank. On November 1, 2016 Debtor filed a Motion for Court determination of the value of the respective liens of Guaranty Bank. A Stipulated Order was entered which

provided that the secured lien claim of Guaranty Bank would be an aggregate sum of \$414,515.00 and that both the secured claim and the unsecured or undersecured claim would remain unliquidated until the entire claim was liquidated or further Order of the Court. Subsequently Guaranty Bank filed a proof of claim for a total amount of \$642,939.12 asserting an unsecured claim in the amount of \$228,424.00.

3. Motion for Relief from Stay to Intervene in State Court Action. Following Debtor filing a Motion for Relief from Stay to intervene in pending State Court action, the Bankruptcy Court entered an Order granting Debtor's Motion.

E. Projected Recovery of Avoidable Transfers

In the 90 days preceding the commencement of its Chapter 11 case Debtor is unaware of any payments made on any debt exceeding more than \$5,475.00 to any one creditor. Therefore Debtor does not believe there are any avoidable transfers. In the event it is discovered by Debtor through further investigation that a creditor received a payment or other transfer within 90 days of the bankruptcy or other transfer avoidable under the Code, the Debtor may seek to avoid such transfer.

F. 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 a claim is accepted and utilized for voting purposes, the claimant may not be entitled to a distribution if an objection to the claim is later upheld. The procedures for resolving disputed claims are stated in Article IV of the Plan.

G. Nature of Assets and Liabilities Within Debtor's Bankruptcy Proceeding. With the commencement of Debtor's case under Chapter 11 of the Bankruptcy Code a Bankruptcy Estate was created by virtue of Section 541 of the Bankruptcy Code with the Estate being comprised of all Debtor's legal or equitable interests in various property rights and assets. Debtor subsequently filed its Bankruptcy Schedules and Statement of Affairs for the purpose of attempting to identify the nature and extent of its assets and liabilities. The bankruptcy schedules separated creditors into creditors holding secured claims (Schedule D), creditors holding unsecured priority claims (Schedule E generally tax claims), and creditors holding unsecured non-priority claims (Schedule F). A summary of the total amount of claims stated in the aforementioned bankruptcy schedules or as subsequently filed within these proceedings is attached hereto, made a part hereof, and marked Exhibit 'A'.

H. Financial Performance While in Chapter 11.

Debtors have filed monthly operating reports during the Chapter 11 proceeding. Debtors have prepared a summary of its monthly reports for review and consideration in connection with its Combined Plan and Disclosure Statement and same shall be circulated to creditors as Schedule 2 H with the Combined Disclosure Statement and the Court's Order fixing a date for Hearing on final approval of the Disclosure Statement and/or Confirmation of the Plan.

III. THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Summary of Plan of Reorganization and Distribution.

As required by the Code, this Plan places claims and equity interests in various classes and describes the treatment each class will receive. This 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. Payments and distributions under the Plan will be funded by the Debtor from its projected and allocated cash flow from the continued operation of Debtor's business.

B. Explanation of Classes of Claims and Equity Interests

For purposes of the Plan, the claims and interests against the Debtor are divided into unclassified claims or classified claims. In accordance with Bankruptcy Code Section 1123(a)(1), administrative claims and priority tax

claims are not classified under the Plan. Instead, the treatment of administrative claims and priority tax claims shall be termed “unclassified claims” with the treatment of each claim otherwise specified in the Plan. Classified claims are further subdivided into allowed secured claims, unsecured claims, and claims of equity interest holders. A further explanation of classified claims is provided below.

1. **Classes of Secured Claims**

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under Code § 506. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

2. **Classes of General Unsecured Claims**

General unsecured claims are not secured by property of the estate and are not entitled to priority under Code § 507(a).

3. **Classes of Equity Interest Holders.**

Equity interest holders are parties who an ownership interest (i.e., equity interests) in the Debtor. As Debtor is a corporation business entity the equity interest holders are holders of its preferred or common stock and those holders are members of the class of equity interest holders.

C. Treatment of Claims and Interests under the Plan

The treatment of unclassified claims and classified claims and interests under this Plan is set forth below. Only certain claims or interests are entitled to vote for or against the Plan and generally 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. For confirmation requirements, common procedures, and identification of claims or interests deemed impaired, see Article IX.

1. **Treatment of Unclassified Claims –Administrative Claims and Priority Tax 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 law. Accordingly, Debtor as Plan proponent has not placed the following claims in any class:

a. Undisputed Post-Petition Claims. Liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 case and that are not disputed by the Debtor shall be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto.

b. Professional Fee Claims. Requests for compensation or reimbursement for professionals pursuant to applicable sections of the Bankruptcy Code for services rendered prior to the effective date may be filed prior to Debtor securing a final decree and the Chapter 11 case being closed. All allowed claims of such professionals shall be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto.

c. Statutory Bankruptcy Trustee Fees. Debtor or the reorganized Debtor will timely pay quarterly fees assessed under 28 U.S.C. Section 1930(a)(6) until the case is closed by entry of a Final Decree pursuant to Bankruptcy Rule 3002.

d. Priority Tax Claims. Priority tax claims are unsecured income, employment and other taxes described by Bankruptcy Code Section 507(a)(8). Unless the holder of Bankruptcy Code Section 507(a)(8) priority tax claims agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding five (5) years from the Order of relief. The following chart lists the Debtor's

The Millwork Shoppe, Inc.

Description (name and type of tax)	Amount Scheduled or Subsequent Proof of Claim	Description	Treatment
Internal Revenue Service (Claim No. 2-Amended)	\$ 44,558.12	Taxes	Pmt interval = Quarterly over 5 years from bankruptcy petition date

Debtor reserves the right to file an objection to any scheduled claim or proof of claim. Any of the above claimants may allege additional interest or penalties, however the total claim, as said claim is found to be valid, shall be paid in full with accrual of interest at the interest rate that is applicable under non-bankruptcy law with payments to be made in regular quarterly installment payments. Quarterly distributions shall be on the 15th of the month of January, April, July, and October of each year beginning January of 2018 and continuing on the same day of each month and quarter until all distributions are made. Debtor reserves the right to prepay any claim without penalty.

D. Treatment of Classified Claims and Interests. This category consists of the separate classes of secured claims, undersecured claims, unsecured claims, and equity interests in the Debtor.

1. Class 1 – Chrysler Capital. This class consists of the claim represented by a security agreement and promissory note executed by The Millwork Shoppe with respect to the purchase and financing of a 2013 Dodge Ram 2500. As of the petition date there was approximately \$13,979.00 owing. Debtor shall reaffirm the obligation to the creditor by paying creditor contractual monthly installments until all obligations under the contract are paid in full.

2. Class 2 – Guaranty Bank (secured/unliquidated). The total claims of Guaranty remain unliquidated as Debtors may be necessary parties to a pending State Court litigation or may pursue their own action and also may have same or similar defenses and counterclaims against Guaranty Bank as asserted by Debtors' guarantors. As the claim of Guaranty Bank will not be liquidated within the State Court action to any actual sum for some time, the claim of Guaranty Bank has been estimated for purposes of Plan treatment and bifurcated into a secured claim of \$414,515.00. Pursuant to the previous Stipulated Order for adequate protection and use of cash collateral Debtor shall continue to make regular adequate protection payments to Guaranty Bank pending the liquidation of the claim. Should any of Debtors defenses or rights of offset or subordination be successful any recovery of the Debtor shall be deemed additional assets available for distribution to any allowed general unsecured non-insider claims. Should Guaranty Bank ultimately prevail in its position after exhaustion of all potential appellate/remand proceedings, then the pre-determined secured claim shall be restated as principal to be paid interest at the rate of 4.5% per annum amortized over ten (10) years payable monthly.

3. Class 3 – General Unsecured Non-Insider Claims . This class of claims represent creditors holding unsecured non-insider, non-priority claims (excluding subordinated claims). The members of the Class and the amount of each Members claim is set forth below.

IDENTIFICATION OF GENERAL UNSECURED CLAIMS OF INTEGRITY

CREDITOR	AMOUNT SCHEDULED	OBJ CODE C=CONTING NT U=UNLIQ. D=DISPUTED	IF POC FILED, CLAIM #	AMOUNT CLAIMED BY CREDITOR	BASIS FOR PRORATA DISTRIBUTION (TBD)
KPM	\$12,983.80	D			
SUB- TOTAL					\$ 12,983.80

IDENTIFICATION OF GENERAL UNSECURED CLAIMS OF MILLWORK

CREDITOR	AMOUNT SCHEDULED	OBJ CODE C=CONTINGENT U=UNLIQ. D=DISPUTED	IF POC FILED, CLAIM #	AMOUNT AMOUNT CLAIMED BY CREDITOR	BASIS FOR PRORATA DISTRIBUTION TBD
A&M HARDWARE, INC	\$ 107.60				
AC ELECTRONICS	\$ 4,080.50				
ADVANTAGE BUSINESS SUPPLIES	\$ 279.92				
AMERICA BUILDING PRODUCTS	\$ 9,019.54				
BLUELINX CORPORATION	\$ 3,674.50		7	\$ 4,656.39	
BOB'S PRECISION SHARPENING	\$ 30.00				
CITY OF WEST PLAINS	\$ 50.00				
COMPI DISTRIBUTORS INC	\$ 1,078.96				
CORPORATE BUSINESS SYSTEMS	\$ 520.89				
GUARANTY VISA	\$ 22,073.02				
HARDWARE RESOURCES	\$ 1,890.25				
HOME BUILDERS ASSOCIATION	\$ 150.00				
HOME DEPOT CREDIT	\$ 627.22				
ISC SURFACES	\$ 15,128.03				
JUSTADVERTISE	\$ 100.00				
KPM	\$ 8,300.00				
LAMINATE WORKS	\$ 769.95		1	\$ 668.78	
MEEKS	\$ 690.54				
MGM INDUSTRIES, INC.	\$ 323.05		4	\$ 335.32	
MID AMERICA WOODWORKING	\$ 13,441.88		8	\$ 22,972.02	
MID-AM BUILDING SUPPLY	\$ 8,926.30		10	\$ 12,430.47	
MILLER BROTHERS CONTRACTING	\$ 4,300.00				
MILLER WOODWORD	\$ 2,630.00				
MILLINGTON, GLASS & LOVE	\$ 2,816.00				
MINUTEMAN PRESS	\$ 348.14				
MOUNTAIN VALLEY SPRING WATER	\$ 115.08				
ORF CONSTRUCTION	\$ 8,510.00				
OZARK LAMINATE SUPPLY	\$ 480.62				
RESINART EAST, INC.	\$ 166.16				
SCHALLER HARDWOOD LUMBER	\$ 94,774.76				
STEVE'S AUTOMOTIVE	\$ 401.70				
SUPERIOR OIL COMPANY, INC.	\$ 134.64				
SWAN SAW SERVICE	\$ 220.00				
THE BUILDERS ASSOCIATION	\$ 2,000.00				
TRUSTILE DOORS, LLC	\$ 29,820.24				
ULINE	\$ 51.45				
WM COFFMAN, LLC	\$ 3,949.83				
WURTH BAER SUPPLY CO.	\$ 1,454.04				
SUB-TOTAL					\$241,844.53

TOTAL COMBINED CLAIMS:	\$254,828.33
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Unsecured creditors holding allowed claims will receive, in full satisfaction, settlement, release, and discharge of and in exchange for each such allowed general unsecured claim the creditors prorata share of an aggregate cash payment in an amount of \$50,000.00 (the aggregate amount of all payments to be distributed to such creditors shall not exceed \$50,000.00, in which case each allowed claim shall receive the holder's prorata share of \$50,000.00). Payments to unsecured creditors shall be made over a five (5) year period with prorata payments distributed quarterly on the 15th day of January, April, July, and October of each year beginning January of 2018 and continuing on the same day of each month and quarter until all distributions are made.

Debtor reserves the right to prepay this class. Should Debtor prepay any payments, Debtor shall receive correlating credit toward any future required monthly payment. Debtor shall be the Plan administrator and disbursing agent and shall make such interim distributions to the holders of class claims, on a prorata basis, on or before the date due and continuing thereafter during the distribution period until the claimants receive the treatment

afforded them in this class.

4. Class 4 – Subordinated Claims. This class shall consist of the two (2) separate subordinated claims of Guaranty Bank and Creative Associates. Each of these claims shall be accorded the following treatment:

a. Guaranty Bank. Debtor intends to assert various claims and/or objections to the claims of Guaranty Bank based on legal theories including but not limited to certain defenses or rights of off-set and the right to seek subordination of the claim. Should Debtor ultimately prevail in its positions after the exhaustion of all potential appellate/remand proceedings, any recovery of the Debtor shall be distributed to the allowed claims of Class 3 to the extent of the total amounts due and allow to any holder of Class 3 claims. Should Guaranty Bank ultimately prevail in its position after exhaustion of all potential appellate/remand proceedings, then any claim of Guaranty Bank shall be entitled to prorata distribution as a member of Class 3 general unsecured non-insider claims.

b. Creative Associates. Debtor intends to object to the claim of Creative Associates and assert various claims and/or objections based on legal theories including but not limited to certain defenses and rights of offset and the right to seek subordination of the claim. Should Debtor ultimately prevail in its positions after the exhaustion of all potential appellate/remand proceedings, any recovery of the Debtor shall be distributed to the allowed claims of Class 3 to the extent of the total amounts due and allow to any holder of Class 3 claims. Should Creative Associates ultimately prevail in its position after exhaustion of all potential appellate/remand proceedings, then any claim of Creative Associates shall be entitled to prorata distribution as a member of Class 3 general unsecured non-insider claims.

5. Class 5– Equity Interests in the Debtor. Equity interest holders shall not receive any distribution or payment as holders of preferred or common stock. After payment of all claims in Class 1 through 3 above, equity security holders will receive their prorata share of any distribution arising as a result of their ownership interest in the Debtor corporation.

IV. ALLOWANCE AND DISALLOWANCE OF CLAIMS

A. Disputed Claims

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

No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

B. 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 a claim is accepted and utilized for voting purposes, the claimant may not be entitled to a distribution if an objection to the claim is later upheld.

C. Settlement of Disputed Claims

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

D. Estimation of Claims

Debtor may, at any time, request that the Bankruptcy Court estimate any disputed claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtor has previously objected to such claim and the Bankruptcy Court will retain jurisdiction to estimate any claim at any time, including during litigation

concerning any objection to such claim. In the event that the Bankruptcy Court estimates any disputed claim, that estimated amount may constitute either the allowed amount of such claim or a maximum limitation on such claim, as determined by the Bankruptcy Court. All of the afore-mentioned claims objection, estimation, and resolution procedures are cumulative and not necessary exclusive of one another. On and after the effective date, claims which have been estimated subsequently may be compromised, settled, withdrawn, or otherwise resolved without further order of the Bankruptcy Court. Unless otherwise provided within the Plan, until such time as a contingent claim becomes fixed and absolute, such claim shall be treated as a disputed claim for purposes related to allocations and distributions under this Plan.

V. PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumed Executory Contracts and Unexpired Leases

Assumption means that the Debtor has elected to continue to perform the obligations under such executory contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. Any party to an unexpired lease or executory contract that may object to the Debtor's assumption of the unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, must file and serve its objection to the Plan within the deadline for objecting to confirmation of the Plan, unless the Court has set an earlier date. Debtors hereby affirmatively assume their mutual Lease Agreement for the real estate and improvements currently occupied as owned and leased from Westgate Industrial, LLC. Debtor currently leases two (2) separate building improvements from Westgate and pays on a month-to-month basis the sum of \$4,500.00 and \$2,500.00 respectively. Debtor will cure any post-petition arrearages by paying an additional sum of \$1,000.00 per month.

B. Rejected Executory Contracts and Unexpired Leases

Debtor is unaware of the existence of any executory contract or unexpired lease that exists other than those assumed under Section V.(A.) above. The Debtor will be conclusively deemed to have rejected all executory contracts and unexpired leases that (a) are not expressly assumed under section V.A. of this Plan or (b) were not assumed under a separate motion before the effective date of this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under section V.A. of this Plan must be filed no later than thirty days after the effective date of this Plan. 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.

VI. GENERAL PROVISIONS

A. Definitions and Rules of Construction

The definitions and rules of construction stated in Code Sections 101 and 102 apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

1. "Debtor" shall mean INTEGRITY or MILLWORK.
2. "Bankruptcy Schedules" means the schedule of assets and liabilities of debtor and statement of financial affairs of debtor filed by the debtor, as the same may have been or may be amended or supplemented from time to time prior to the effective date.
3. "Claim" means a claim against the debtor as such term is defined in Section 105(5) of the Bankruptcy Code.
4. "Creditor" or "Creditors" means all entities having a claim against the debtor or the holder of a claim.
5. "General Unsecured Claim" or "Unsecured Creditor" means a claim or a creditor holding a claim against the debtor that is not secured by property of the estate and is not entitled to priority under Code

6. “Secured Claim” or “Secured Creditor” means a claim or a creditor holding a claim, including interest, fees, and charges to the extent allowable pursuant to Section 506(b) of the Bankruptcy Code, that is secured by a duly perfected and enforceable lien on and/or security interest in property in which the debtor has an interest and to the extent of the value of the claim holder’s interest in such property as may be determined pursuant to Section 506(a) of the Bankruptcy Code. If the value of the collateral or set-offs securing the creditors’ claim is less than the amount of the creditors’ allowed claim, the deficiency will be classified as a general unsecured claim.

7. “Pro rata” means proportionately so that the ratio of the amount of consideration distributed on account of a particular allowed claim to the amount of the allowed claim is the same as the ratio of the amount of consideration distributed on account of all allowed claims of the class or classes that share in the consideration being distributed at the time to the amount of all allowed claims of that class or those classes that share in the consideration being distributed at that time.

8. “Scheduled” means the entry set forth in the schedules of assets and liabilities of the debtor as the same may be amended or supplemented from time to time.

B. Effective Date of Plan

The Effective Date of this Plan shall be the first day of the first calendar month following the Order of the Bankruptcy Court confirming the Plan becoming a final Order, not subject to appeal, or if a notice of appeal has been filed with respect thereto, not stayed by any Order of the Court having jurisdiction to stay such Order confirming the Plan or the Order otherwise being vacated.

C. Severability

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

D. Binding Effect

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

E. Captions

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

F. Corporate Governance

Upon the effective date the charter of Debtor and its bylaws or operating agreement shall be deemed amended to restrict any issuance of non-voting equity securities during the term of Debtor’s Plan and the manner of selection of any officer or director and any successor to such officer, director, or managing member, shall remain unchanged.

VII. OTHER PROVISIONS

A. Vesting of Property of the Estate . Except as otherwise provided in any provision of the Plan, agreements entered into in connection therewith, or the confirmation order, on the effective date all property of the Debtor’s estate shall revert in the reorganized Debtor, free and clear of all claims, liens, encumbrances and other interests of any entity and the reorganized Debtor may Thereafter operate its business and may use, acquire and dispose of property without the supervision or approval of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code within those restrictions expressly imposed by the Plan or the confirmation order or agreements entered into in connection therewith.

B. Execution of Documents and Authorized Action. Following confirmation the reorganized Debtor shall execute such documents and take such other action as is necessary to effectuate the transactions provided for in the Plan. The reorganized Debtor shall be authorized to take any action described or contemplated hereunder on behalf of all holders.

C. Preservation of Rights of Action. Except as otherwise provided in the Plan or any contract, instrument, release or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code Section 1123(b)(3)(B) the reorganized Debtor shall retain and may enforce any claims, rights and causes of action that the Debtor or its estate may hold against any entity, including claims and causes of action arising under Bankruptcy Code Sections 542 through 553.

D. Waivers and Releases. Except as otherwise expressly provided in this Plan or the confirmation order any contract, instrument, release or other agreement entered into in connection with the Plan, the rights afforded under the Plan and the treatment of claims and interests under the Plan shall be in exchange for and in complete satisfaction of all claims against the Debtor and the estate to the fullest extent available under the Bankruptcy Code. As of the effective, all entities that have held, currently hold or may hold a claim that is satisfied or interest that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any actions against the Debtor or the reorganized Debtor, their successors or their property on account of any such satisfied claims or terminated interests however such satisfaction, waiver or release does not include any personal guaranty or guaranties executed by any individuals, principals or insiders of Debtor or the Reorganized Debtor, and any such personal guaranty or guaranties are unaffected by this Plan.

VIII. MEANS OF IMPLEMENTING THE PLAN.

A. Source of Payments

Payments and distributions under the Plan will be funded by the Debtor from Debtor's continued operation of Debtor's business and generation of income from Debtor's business.

B. Risk Factors

There are certain risk factors that might affect the Debtor's ability to make payments and other distributions required under the Plan including but not limited to fluctuation in the marine industry and downturn of economic conditions. In formulating Debtor's projection and Plan treatment Debtor has attempted to factor in a limited margin of stability.

C. Tax Consequences of Plan

Debtor has not requested or been provided any opinion of the tax effects of the Plan on the Debtor, creditors, or equity interest holders, other than the applications of Code Section 346(j), which may affect tax attributes held by the Debtor on the Petition Date.

This Combined Plan and Disclosure Statement does not purport to give tax advice of any kind related to the Plan, or its impact on the Debtor, creditors, interest holders, or other interested parties. Such parties should seek independent tax counsel with regard to any impact on them.

IX. CONFIRMATION REQUIREMENTS AND PROCEDURES.

A. Overview of Requirements

To be confirmable, the Plan must meet the requirements listed in Code §§ 1129(a) or (b). 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 Code §1129, and they are not the only

requirements for confirmation.

B. 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.

C. 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 overrules the objection or allows the claim or equity interest for voting purposes under Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

D. 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 Code § 1124, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class. Each holder of an allowed claim in Classes 1 through 3 are entitled to vote either to accept or to reject the Plan. Only those votes cast by holders of allowed claims shall be counted in determining whether acceptances have been received sufficient in number and amount to confirm the Plan.

E. Who is Not Entitled to Vote

The following types of creditors and equity interest holders are not entitled to vote:

1. Holders of Claims and equity interests that have been disallowed by an order of the Court.
2. 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.
3. Holders of claims or equity interests in unimpaired classes.
4. Holders of claims entitled to priority pursuant to Code §§ 507(a)(2), (a)(3), and (a)(8).
5. Holders of claims or equity interests in classes that do not receive or retain any value under the Plan.
6. Holders of 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.

F. 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.

G. Votes Necessary to Confirm the Plan

If impaired classes exists, 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 "cram down" on non-accepting classes, as discussed below in section G.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 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 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 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 non-accepting classes are treated in the manner prescribed by Code § 1129(b). A Plan that binds non-accepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind non-accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of Code § 1129(a)(8), 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.

H. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 liquidation. Debtor will prepare a liquidation analysis for consideration with the filing of this Combined Plan and Disclosure Statement and same shall be circulated to creditors as Schedule 9 H with the Combined Disclosure Statement and the Court's Order fixing a date for hearing on final approval of the Disclosure Statement and/or the Confirmation of the Plan.

I. 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. Debtor believes the requirement of feasibility can be met based upon Debtor having prepared a projected financial income and expense statement reflecting it will have enough cash flow over the life of the plan to make the required plan payments. Debtor will prepare a profit and loss budget overview for consideration in connection with the filing of its Combined Plan and Disclosure Statement and same shall be circulated to creditors as Schedule 9 I.

J. Ability to Initially Fund Plan

The Debtor, as Plan Proponent, believes that it will have a combination of cash on hand and account receivables which as of the effective date of the Plan will represent a culmination of financial resources to pay all claims and expenses that are entitled to be paid to initially fund Plan payments.

K. Ability to Make Future Plan Payments And Operate Without Further Reorganization

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

X. EFFECT OF CONFIRMATION OF PLAN.

A. Discharge

Confirmation of this Plan does not discharge any debt provided for in this Plan until the court grants a discharge on completion of all payments under this Plan, or as otherwise provided in Code §1141(d)(5). The Debtor will not be discharged from any debt excepted from discharge under Code §523, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

B. Modification of Plan

The Plan Proponent 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 Plan Proponent 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 Plan Proponent, 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.

Dated: July 17, 2017

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ATTORNEY FOR DEBTOR

TABLE OF SCHEDULES TO PLAN

Schedule 2 H – Summary of Debtor’s Periodic Operating Reports *to be provided with Order*

Schedule 9H – Liquidation Analysis *to be provided with Order*

Schedule 9I – Projected Financial Income and Expense Statement *to be provided with Order*