

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

IN RE:)
ARCHITECTURAL MATERIALS CO.)
) Case No. 17-60887
Debtor.)

DEBTOR’S COMBINED PLAN AND DISCLOSURE STATEMENT

I. INTRODUCTION

This is the Combined Plan and Disclosure Statement (for ease of reference collectively referred to as the “Plan”) in the Chapter 11 case of Architectural Materials Co. (hereinafter collectively referred to as the "Debtor"). This Plan is filed under Chapter 11 of the Bankruptcy Code (the “Code”). This Plan places claims and equity interests in various classes and describes the treatment each class will receive. Payments and distributions under the Plan will be funded by the Debtor from its projected and allocated cash flow from Debtor’s continued operation of its business. The Plan provides for payments to members of the class of secured claims on a monthly basis and payments to the class of unsecured claims on a quarterly basis. The unsecured creditor class shall receive a prorata share of a fixed quarterly payment in the amount of \$1,500.00 for a period of five (5) years (or a prorata share total of \$30,000.00) beginning after the effective date of the Plan with the first distribution to be on the 15th day of the months of January, April, July, and October beginning April 15, 2018. All creditors should refer to Article III of this Plan for information regarding the precise treatment of their claims.

This Plan 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.)

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 Proponent believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would 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. If the Bankruptcy Court has conditionally approved this Disclosure Statement all parties in interest shall receive the Bankruptcy Court's Order (a) fixing a time for filing objections to the Disclosure Statement; (b) fixing a date for the hearing on final approval of the Disclosure Statement to be held if a timely objection is filed; (c) fixing a date for the hearing on confirmation; and (d) fixing a time in which the holders of claims in interest may accept or reject the Plan. The hearing on final approval of the Disclosure Statement may be concurrent with the hearing to confirm Debtor's Plan.

2. Deadline For Voting to Accept or Reject the Plan. If the Disclosure Statement has been conditionally approved the Disclosure Statement and proposed Plan will be accompanied by a Court Order conditionally approving the Disclosure Statement for circulation with the Plan to claim holders and parties in interest together with a separate ballot. In order to vote for or against the Plan, the voter must complete, date, sign, and mail or email the accompanied ballot to the attorney for Debtor, at the address as follows: David E. Schroeder, Attorney for Debtor, 1524 E. Primrose, Suite A, Springfield, MO 65804, telephone (417) 890-1000, Fax (417) 886-8563, Email: bk1@dschroederlaw.com. **The ballot must be received by the deadline set forth in the Court Order approving the circulation of the above-described materials.**

3. 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, and email address bk1@dschroederlaw.com.

II. BACKGROUND

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

This Missouri corporation was originally formed in October 1975 with current stock ownership divided with thirty percent (30%) held by Mitchell "Todd" Smith, twenty-five percent (25%) held by Tim Smith, and forty-five percent (45%) held by Kay Ann Smith (mother of Todd and Tim Smith). Todd Smith serves as President and Tim Smith serves as Vice Present. The Company was formed to engage in the fabrication, sales, and insulation of a variety of commercial specialty products including glass, windows, glazing, and folding partition walls. In the calendar year of 2016 the business operation was negatively affected by several large commercial jobs that created a financial strain on cash flow. As a result the Company fell behind in making timely payments of withholding taxes, other tax obligations, and payments to vendors. Following the initiation of a levy by the Internal Revenue Service, the Debtor elected to file a Chapter 11 Reorganization proceeding to reorganize and restructure its financial obligations and filed its Petition on August 14, 2017.

B. Insiders of the Debtor

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

1. Officers/Shareholders. As stated above individuals Todd Smith, Tim Smith, and Kay Ann Smith are officers and shareholders. Todd Smith and Tim Smith are employed by the Debtor and

receive regular compensation. The Debtor leases its current office/warehouse facility from Kay Ann Smith for \$2,000.00 per month rent. All officers and shareholders are also guarantors on the outstanding obligations asserted by Central Bank.

2. Relatives of Officers/Shareholders. Alison P. Smith is the spouse of Todd Smith and is employed by the Debtor and receives regular compensation. In addition George Bush is the father-in-law to Tim Smith and from October 19, 2016 through June 30, 2017 was repaid the sum of \$15,342.00 based upon loans George Bush had previously made to the Debtor.

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

Prior to the Bankruptcy Petition Debtor managed its business operations and during the Debtor's Chapter 11 case Debtor has continued to remain in control and manage its business operations and has filed monthly operating reports with the Bankruptcy Court.

D. Significant Events During the Bankruptcy Case

On August 14, 2017, Debtor filed a petition for relief under Chapter 11 of the Bankruptcy Code. The first Meeting of Creditors was held on September 13, 2017. Since the petition date the Debtor has continued to operate as debtor-in-possession in accordance with the guidelines of the Bankruptcy Court and the Bankruptcy Code. Other significant events are summarized as follows:

1. **Approved Engagement of Professionals.** By Court Order dated September 6, 2017 David E. Schroeder was approved by the Court as counsel for the Debtor. By Court order dated November 30, 2017 Ted Smith CPA (no relation to Debtor's officers) was approved by the Court as Debtor's accountant;
2. **Adequate Protection with Ford Motor Credit.** On September 12, 2017 the Debtor and Ford Motor Credit entered into an Agreed Order for Adequate Protection [doc. #38] which was approved by the Court with respect to Debtor's 2012 Ford F-150 vehicle (VIN # ending 9035);
3. **Adequate Protection/Cash Collateral with Central Bank of the Ozarks.** On September 14, 2017 the Debtor and Central Bank of the Ozarks entered into an Agreed Order for Adequate Protection [doc. #40] which was approved by the Court. Debtor is current under all terms of the Stipulation;
4. **Adequate Protection with Ford Motor Credit.** On October 28, 2017 the Debtor and Ford Motor Credit entered into an Agreed Order for Adequate Protection [doc. #48] which was approved by the Court with respect to Debtor's 2012 Ford F-150 vehicle (VIN # ending 2821).

E. Projected Recovery of Avoidable Transfers

Debtor is unaware of any payments made on any debt exceeding more than \$6,425.00 to any one creditor in the 90 days preceding the commencement of its Chapter 11 case which may be subject to an avoidable transfer. 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 petition date, the Debtor may seek to avoid such transfer depending on its analysis of all legal and economic factors. As stated in paragraph B. 2. above insider George Bush was paid approximately \$15,642.00 within one (1) year prior to the bankruptcy petition date. The Debtor has not yet completed its investigation with regard to the pre-petition transactions and whether same may be avoidable under the Code and 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. Current and Historical Financial Conditions

The identity and fair market value of Debtor's assets were identified and disclosed by Debtor in its bankruptcy schedules and amendments and a summary is set forth in Exhibit A attached hereto and incorporated herein. Debtor has filed monthly operating reports during the Chapter 11 proceeding and Debtor has prepared a summary for review and consideration in connection with its Combined Plan and Disclosure Statement which summary is attached hereto as Exhibit B attached hereto and incorporated herein. A history of Debtor's taxable income for the past two (2) years is disclosed and represented by portions of Debtor's tax returns as set forth in Exhibit C attached hereto.

III. THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS

A. Summary of Plan of Reorganization and Distribution.

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, the payment to and recovery of each creditor, claim, and class of claims shall be limited to the amount provided by the Plan.

The Plan provides that 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 with payments to be initiated following an Order of Confirmation of the Plan. **All creditors should refer to Section C and subsections thereafter for information regarding the precise terms of distribution.**

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 priority unsecured claims, secured claims, and allowed unsecured claims. 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 Priority Unsecured Claims

Certain priority claims that are referred to in Code §§ 507(a) are required to be placed in classes.

The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

3. **Class 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).

4. **Class of Equity Interest Holders.**

Equity interest holders are parties who own an ownership interest (i.e. equity interest) in the Debtor. As the 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 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. **Unclassified Claims –Administrative Claims.**

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

b. Professional Fee Claims. All final requests for compensation or reimbursement for professionals pursuant to applicable sections of the Bankruptcy Code for services rendered prior to the effective date shall be filed with the Bankruptcy Court before or contemporaneously with the filing of a Chapter 11 Final Report and Application for Final Decree. 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. The Debtor shall pay all outstanding amounts due the United States Trustee upon confirmation. On and after the Confirmation Date Debtor shall be liable for and shall pay the fees due the United States Trustee pursuant to 28 U.S.C. Section 1930(a)(6) until the entry of a final decree in this case or until the case is converted or dismissed. After confirmation, Debtor shall file with the Court, and serve on the United States Trustee, a monthly financial report for each month (or portion thereof) the case remains open.

2. **Classified Claims.**

Class 1 – Secured Claim of Ford Motor Credit (2012 Ford F150 VIN ending #9035). This Class consists of the claim represented by the respective promissory note, security agreement, and financing documents (herein collectively referred to as “Loan Documents”) with Ford Motor Credit with respect to the financing of Debtor’s vehicle described as a 2012 Ford F-150 VIN ending #9035. Based upon Debtor’s information and belief as of the Petition Date there was due and owing approximately \$5,264.34. Debtor’s opinion of the value of the vehicle as a going-concern value is that it is worth approximately the value owed. The Debtor and Ford Motor Credit previously entered into an Agreed Order for adequate protection [doc. #38]. Debtor will reaffirm

the obligation represented by the loan documents at the non-default rate of interest and continue paying monthly installments of principal and interest in the amount of \$400.00 per month until the claim is paid in full.

Class 2 – Secured Claim of Ford Motor Credit (2012 Ford F150 VIN ending #2821). This Class consists of the claim represented by the respective promissory note, security agreement, and financing documents (herein collectively referred to as “Loan Documents”) with Ford Motor Credit with respect to the financing of Debtor’s vehicle described as a 2012 Ford F-150 VIN ending #2821. Based upon Debtor’s information and belief as of the Petition Date there was due and owing approximately \$2,584.63. Debtor’s opinion of the value of the vehicle as a going-concern value is that it is worth approximately the value owed. The Debtor and Ford Motor Credit previously entered into an Agreed Order for adequate protection [doc. #48]. Debtor will reaffirm the obligation represented by the loan documents at the non-default rate of interest and continue paying monthly installments of principal and interest in the amount of \$200.00 per month until the claim is paid in full.

Class 3 – Secured Claim of Central Bank of the Ozarks. This Class consists of the claims represented by the respective promissory note, security agreement, and financing documents (herein collectively referred to as “Loan Documents”) with Central Bank of the Ozarks (“Central Bank”) with respect to the business financing and a credit card account secured by a security interest in Debtor’s business assets. As of the bankruptcy petition date Debtor’s outstanding obligation totaled approximately \$25,377.00. The Debtor and Central Bank previously entered into an Agreed Order for adequate protection [doc. #40]. Debtor will reaffirm the obligation represented by the loan documents at the non-default rate of interest and continue paying monthly installments of accrued and unpaid interest through monthly installments until the claims are paid in full.

Class 4 – Internal Revenue Service-Secured Claim. The IRS has filed Proof of Claim No. 9 asserting a secured claim in the amount of \$102,796.00. Debtor shall commence paying principal and interest payments over a forty-eight (48) month period at three percent (3%) simple interest on the 15th day of the month following the effective date of Confirmation of the Plan and the 15th day of every month thereafter until paid in full.

Class 5 - Priority Tax Claims. Priority tax claims are unsecured income, employment, sales, and other taxes described by Code Section 507(a)(8). Pursuant to Bankruptcy Code Section 1129(a)(9), unless the holder of such a Section 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid with interest over a period not exceeding five (5) years from the bankruptcy Order of Relief. Debtor reserves the right to prepay any creditor in this class. As to the potential for future objections to claims see **RESERVATION OF OBJECTIONS AS TO ALL CLAIMS** in Article IV, below. The following claims are deemed members of this Class by virtue of the proof of claims filed within the bankruptcy proceeding:

Class 5A – Internal Revenue Service-Unsecured Priority Claim. The IRS has filed Proof of Claim No. 9 asserting an unsecured priority claim in the amount of \$16,393.06. Debtor disputes the claim and will file the appropriate objections. Once any claim is allowed Debtor shall commence paying principal and interest payments over a forty-eight (48) month period at three percent (3%) simple interest on the 15th day of the month following the effective date of Confirmation of the Plan and the 15th day of every month thereafter until paid in full.

Class 5B – Missouri Department of Revenue-Unsecured Priority Claim. The Missouri Department of Revenue has filed multiple Proof of Claims represented by Proof of Claim No. 13 asserting an unsecured priority claim in the amount of \$32,510.84, Proof of Claim No. 14 asserting an unsecured priority claim in the amount of \$10,595.67, and Proof of Claim No. 15 asserting an unsecured priority claim in the amount of \$1,536.22. Debtor disputes the claims and will file the appropriate objections. Once any claim is allowed Debtor shall commence paying principal and interest payments over a forty-eight (48) month period at three percent (3%) simple interest on the 15th day of the month following the effective date of Confirmation of the Plan and the 15th day of every month thereafter until paid in full.

Class 5C – Greene County Tax Collector-Unsecured Priority Claim. The Greene County Tax Collector has filed Proof of Claim No. 8 asserting an unsecured priority claim in the amount of \$1,705.00. Debtor shall commence paying principal and interest payments over a forty-eight (48) month period at three percent (3%) simple interest on the 15th day of the month following the effective date of Confirmation of the Plan and the 15th day of every month thereafter until paid in full.

Class 6 – General Unsecured Claims. This class of claims represent creditors holding unsecured non-priority claims, disputed or estimated claims, and undersecured claims with the members of the class and the status of each member’s claim is set forth below. Should Debtor dispute the liability of any claim in this Class Debtor will proceed to file an omnibus objection to the claims for court determination. Debtor shall distribute a fixed quarterly payment in the sum of \$1,500.00 from Debtor’s quarterly net income for a period of five (5) years or twenty (20) calendar quarters (or a prorata share of \$30,000) to be distributed prorata to all allowed claims in this class. Distributions shall be on the 15th day of the months of January, April, July, and October, and continuing on the same day of each calendar quarter described until all quarterly distributions are made. The first quarter distribution shall be made on or before April 15, 2018. Debtor shall act as its own disbursing agent and shall establish such accounts as deemed necessary or desirable to effectuate payments as provided for in the Plan including an account to function as a general creditor fund from which Debtor as disbursing agent shall disburse a prorata share of the fund to the holders of all allowed claims in any class of claims under the Plan as provided for in the Plan. Claims identified in this Class are as follows:

IDENTIFICATION OF GENERAL UNSECURED CLAIMS OF T&L MOBILE TELEVISION, INC.

| CREDITOR | AMOUNT SCHEDULED | OBJ CODE C=CONTINGE NT U-UNLIQ. D=DISPUTED | IF POC FILED, CLAIM # | AMOUNT CLAIMED BY CREDITOR | BASIS FOR PRORATA DISTRIBUTION TBD |
|--|------------------|--|--------------------------------|----------------------------------|---|
| AE DYNAMICS, LLC | \$ 3,400.00 | | | | \$ 3,400.00 |
| ALL COMM | \$ 130.00 | | | | \$ 130.00 |
| AMERICAN EXPRESS | \$ 22,089.00 | | 6 | \$ 28,152.77 | \$ 28,152.77 |
| BARKER PHILLIPS JACKSON | \$ 4,312.00 | | | | \$ 4,312.00 |
| BEARDEN CARPET | \$ 24.76 | | | | \$ 24.76 |
| BKD | \$ 9,797.71 | | | | \$ 9,797.71 |
| BOYD ALUMINUM | \$ 24,441.78 | | 7 | \$ 24,441.78 | \$ 24,441.78 |
| BUILDERS GLASS | \$ 50.00 | | | | \$ 50.00 |
| C.V. GLASS | \$ 475.00 | | | | \$ 475.00 |
| CANDOR BUILDING SOLUTIONS | \$Undetermined | | | | \$.00 |
| CARNAHAN, EVANS, CANTWELL & BROWN P.C. | \$ 411.71 | | | | \$ 411.71 |
| CHAPPELLS TIRES | \$ 786.79 | | | | \$ 786.79 |
| CINTAS | \$ 175.00 | | | | \$ 175.00 |
| CORPORATE BUSINESS | \$ 251.04 | | | | \$ 251.04 |
| EAGLE SHEET METAL | \$ 1,738.78 | | | | \$ 1,738.78 |

| | | | | | |
|------------------------------------|----------------|---------|----|--------------|---------------------|
| FIRE STATION NO. 8, LLC | \$ 64,640.80 | D | 10 | \$113,063.21 | \$ 64,640.80 |
| GEORGE L. BUSH | \$ 58,586.55 | D | | | \$ 58,586.55 |
| GREAT AMERICA FIN. | \$ 1,310.00 | | 12 | \$ 7,788.84 | \$ 7,788.84 |
| H&E EQUIPMENT | \$ 11,116.60 | | 2 | \$ 9,143.18 | \$ 9,143.18 |
| HK&W | \$ 1,650.02 | | | \$ 1,650.02 | \$ 1,650.02 |
| INTERNAL REVENUE SERVICE | \$ 1,091.92 | D | 9 | \$ 1,091.92 | \$ 1,091.92 |
| JARCOS CONSTRUCTION SOLUTIONS LLC | \$ 8,700.00 | | 11 | \$ 8,700.00 | \$ 8,700.00 |
| KENMAR CONSTRUCTION INC. | \$ 8,485.60 | | | | \$ 8,485.60 |
| KWIKWALL | \$ 24,984.00 | | | | \$ 24,984.00 |
| LABOR READY | \$ 9,132.91 | | | | \$ 9,132.91 |
| LAMINATORS INC. | \$ 7,603.00 | | | | \$ 7,603.00 |
| LOREN COOK | \$ 31,666.72 | | | | \$ 31,666.72 |
| METROFAX | \$ 12.90 | | | | \$ 12.90 |
| MIDWEST WINDOW & DOOR | \$ 422.38 | | | | \$ 422.38 |
| NORTH AMERICAN SPECIALTY INSURANCE | \$Undetermined | C; U; D | | | \$.00 |
| OKLAHOMA TURNPIKE | \$ 560.00 | | | | \$ 560.00 |
| SANFORD LEA | \$ 32,431.13 | D | | | \$.00 |
| SECURENET | \$ 267.95 | | | | \$ 267.95 |
| SPIDER | \$ 7,101.58 | | | | \$ 7,101.58 |
| THERMAL WINDOWS | \$ 50,000.00 | | | | \$ 50,000.00 |
| TRULITE | \$ 31,303.46 | C; U; D | | | \$.00 |
| WCA | \$ 541.71 | | | | \$ 541.71 |
| WIESE | \$ 557.10 | | | | \$ 557.10 |
| WILDCAT | \$ 4,653.63 | | | | \$ 4,653.63 |
| WINCO WINDOW COMPANY | \$ 7,111.00 | | | | \$ 7,111.00 |
| TOTAL | | | | | \$378,849.13 |

Class 7 – Equity Interest 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 Classes 1 through 6 above, equity security holders may 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 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.

As stated at Article IIB above Debtor has a lease agreement with Kay Ann Smith and will continue to lease the office/warehouse in the ordinary course of business.

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 Architectural Materials Co.
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 Section 507(a).

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 is the eleventh business day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, unless the confirmation order has been 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.

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 their 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. Debtor shall act as its own disbursing agent and shall establish such accounts as deemed necessary or desirable to effectuate payments as provided for in the Plan including an account to function as a general creditor fund from which Debtor as disbursing agent shall disburse a prorata share of the fund to the holders of all allowed claims in any class of claims under the Plan as provided for in the Plan.

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 operations of the business, competition in the market, and/or a possible 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

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 may refer to the application of Bankruptcy Code Section 346(j) however all 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 6 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 nonaccepting classes are treated in the manner prescribed by Code § 1129(b). 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 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 has prepared a liquidation analysis for consideration with the filing of this Combined Plan and Disclosure Statement and same is attached as Exhibit D.

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. In Article II Section G Debtor referenced the summary of its monthly operating reports filed with the Court. Debtor has prepared a projected financial income and expense statement reflecting cash flow for a three (3) year period to make the required Plan payments. The projection is attached as Exhibit E. Debtor asserts that the Exhibit demonstrates a reasonable likelihood of monthly available cash to the Debtor to be utilized to pay projected Plan payments as set forth herein.

J. Ability to Initially Fund Plan

Debtor as Plan Proponent believes that it will have enough cash on hand on the effective date of the Plan to establish a general creditor fund and to pay all the claims and expenses that are entitled to be paid on that date and through the Plan period.

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

On the Confirmation Date of this Plan, the Debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the effective date, to the extent specified in Code Section 1141(d)(1)(A), except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in Code Section 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 Code Section 1141(d)(b)(8).

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: January 3, 2018

DAVID SCHROEDER LAW OFFICES, P.C.

BY: /s/ David E. Schroeder

David E. Schroeder

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ATTORNEY FOR DEBTOR

TABLE OF EXHIBITS TO PLAN

| | |
|-----------|--|
| Exhibit A | Identity and fair market value of Debtor's assets |
| Exhibit B | Summary of Debtor's monthly operating reports since date of filing to present; |
| Exhibit C | Debtor's 2015 and 2016 Tax Returns (portions) |
| Exhibit D | Liquidation Analysis |
| Exhibit E | Debtor's projected net income with Plan payments; |

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was served electronically to those parties who have entered an appearance in the Court's Electronic Court Filing (ECF) System and conventionally, via first-class mail, postage prepaid, to those parties who have requested notice but are not participating in the ECF System, pursuant to instructions appearing on the electronic filing receipt received from the U.S. Bankruptcy Court, on this 3rd day of January, 2018.

/s/David E. Schroeder

David E. Schroeder