

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEBRASKA

IN THE MATTER OF:)	CASE NO. BK17-40371
)	CHAPTER 11
LYTLE TRUCKING, LLC,)	
)	
Debtor.)	

DISCLOSURE STATEMENT AND 9013 NOTICE

ARTICLE I

Introduction and Representation

A. Introduction.

Debtor, Lytle Trucking, LLC (hereinafter "Debtor"), has prepared and is disseminating this Disclosure Statement to holders of claims against the Debtor for purpose of soliciting acceptance of its Plan of reorganization (the "Plan"). Debtor believes this Disclosure Statement contains the information that is material, important and necessary for its creditors to arrive at an informed decision in exercising their right to vote for acceptance of the Plan. The Plan is incorporated in this Disclosure Statement. As holders of a claim against the Debtor, your acceptance is important. For a class of claims to accept the Plan, acceptances must be filed by at least two-thirds in amount or more than one-half in number of the Allowed Claims for such class that actually vote on the Plan. A failure to vote on the Plan does not constitute either an acceptance or rejection of the Plan.

B. Representations.

No representations concerning the Debtor or the Plan are authorized other than as set forth herein. Any representation or inducement to secure your acceptance of the Plan other than as contained herein should not be relied upon by you. The information contained herein has not been reviewed or passed upon by an accountant. The Debtor is unable to warrant or represent that the information contained herein is without any inaccuracy although all such information is accurate to the Debtor's best knowledge, information and belief. The Court has not verified the accuracy of the information contained herein and the Court's approval of the Disclosure Statement does not imply

that the Court endorses or approves the Plan, or if the information is accurate, but the Court approves it is sufficient to provide an adequate basis for Creditors to make informed decisions whether to approve or reject the Plan.

C. Defined Terms.

Most words or phrases used in this Disclosure Statement shall have their usual and customary meanings. Some words or phrases when used in the context of the Plan and Disclosure Statement with initial capital letters shall have the definition set forth in the Plan. Unless otherwise defined, the terms used in this Disclosure Statement shall have the same meaning as in the Bankruptcy Code or Rules.

D. Attached Documents.

Some of the following documents are attached to the Disclosure Statement for reference and may be referred to herein throughout. In the event that the documents are not attached to this Disclosure Statement they have been filed with the Bankruptcy Court, and associated with the Disclosure Statement.

1. Schedules of the Debtor (Filing #8);
2. Debtor's Monthly Operating Reports March through June 2017 (Filing #'s 12, 23, 24, and 25)
3. 2016 income tax return

ARTICLE II

Background Information

A. History of Debtor.

Following an accident approximately 6 years ago, the owner of Lytle Trucking, LLC was unable to work due to the fact that the truck was out of commission for repairs for approximately three months. Because of the loss of income the Debtor was unable to timely pay all its bills. The major creditor of the Debtor, First Central Bank, threatened legal action against the Debtor. The Debtor did not have funds to make past due loan payments and bring the account current.

B. Bankruptcy Proceedings.

The Debtor filed for relief under Chapter 11 of the Bankruptcy Code on or about March 17, 2017.

ARTICLE III

Plan of Reorganization

The following is the Chapter 11 Plan being filed herewith. This Plan of Reorganization (hereinafter referred to as the "Plan") is proposed by the Debtor, and Debtor-in-Possession (hereinafter referred to as "Lytle Trucking" or "Debtor"), for the resolution of its outstanding Creditor claims. All Creditors are encouraged to consult the Disclosure Statement, filed herein, before voting to accept or reject this Plan. The Disclosure Statement contains a discussion of the Debtor's history and description of its property and a summary and analysis of the Plan.

(ARTICLE I of Plan)
Definitions

A. Defined Terms.

The following terms have the following meanings (such meanings to be applicable to both singular and plural forms of the terms defined) whenever used in the Plan.

1. Administrative Claim: Administrative Claim means any claim for any costs or expense of administration in connection with the Chapter 11 case, in accordance with §503(b) of the Code including, without, limitation:

(a). The actual necessary, costs and expenses of preserving the Debtor's estate and of operating the business of the Debtor (other than such claims or portion thereof which, by its express terms, are not due or payable by the Effective Date);

(b). The full amount of all claims for allowances of compensation for legal or other professional services or reimbursement of costs and expenses under §330 or §503(b) of the Code or otherwise allowed by the Bankruptcy Court; and,

(c). All fees and charges assessed against the Debtor's estate under Chapter 123 of Title 28, United States Code.

2. Allowed Claim or Allowed Interest: Allowed Claim or Allowed Interest means a claim against or equity security interest in the Debtor to the extent that: (a) a proof of such claim or interest was (i) timely filed or (ii) deemed filed pursuant to §1111(a) of the Bankruptcy Code; and (b)(i) which is not objected to or (ii) which is allowed (and only to the extent allowed) by an order of the Bankruptcy Court that has become final and not subject to possible appeal, review, certiorari, or stay.

3. Bankruptcy Code: Bankruptcy Code or Code means Title 11 of the United States Code, 11 U.S.C. §101 et seq. as amended.

4. Code: Code or Bankruptcy Code means Title 11 of the United State Code, 11 U.S.C. §101 et seq. as amended.

5. Court: Court or Bankruptcy Court means the United States Bankruptcy Court for the District of Nebraska (or such other Court as may have jurisdiction over the Chapter 11 case) and, with respect to any particular proceeding arising under, in or relating to this Chapter 11 case, any other Court which may have jurisdiction over such proceeding.

6. Effective Date: Effective Date means the 10th business day following entry of the Order by the Court confirming the Plan (the “Confirmation Date”).

7. Plan: Plan means this Plan of Reorganization proposed by Lytle Trucking, LLC, including any amendments or modifications made in accordance with the applicable provisions of the Code.

B. Undefined Terms.

A term used in the Plan and not defined herein which is defined in the Bankruptcy Code or Rules has the meaning described to such terms in the Bankruptcy Code or Rules.

(ARTICLE II of Plan) Classifications of Claims & Interest

All Allowed Claims and Allowed Interest are placed in the following classes.

A. Class 1 Priority Claims.

1. Class 1A: Class 1A consists of Allowed Unimpaired Claims of which there are none.

2. Class 1B: Class 1B consists of the Allowed Priority Claims of which there are none.

B. Class 2 Secured Claims.

Secured claims shall retain their liens upon the property or proceeds from sale pledged as collateral except as limited herein. The Debtor shall be allowed to prepay at any time without penalty or premium. The Debtors reserve all rights to object to allowance of any of the secured claims and the amounts thereof.

1. Class 2A: Class 2A consists of the Allowed Claim of Axis Capital, Inc. n/k/a Amur Equipment Finance, Inc.

2. Class 2B: Class 2B consists of the Allowed Claim of First Central Bank.

3. Class 2C: Class 2C consists of the Allowed Claim of KRD Federal Credit Union.

C. Class 3 Unsecured Claims.

The Debtors reserve all rights to object to any of these claims and the amount thereof.

1. Class 3A: Class 3A consists of any Allowed unsecured claims.

(ARTICLE III of Plan)

Designation of and Treatment of Unimpaired Classes

A. Class 1A: None.

B. Class 1B: None.

(ARTICLE IV of Plan)

Designation and Treatment of Administrative Claims

All allowed administrative claims including attorney fees shall be paid within 30 days from

the date of allowance thereof.

(ARTICLE V of Plan)

Treatment of Impaired Claims and Interest

A. All classes of claims and classes of interest are impaired under the Plan. All impaired classes of claims and classes of interest shall receive the distribution set forth in this Article on account of an incomplete payment of all such Allowed Claims and Allowed Interests. Without limiting the foregoing and effective, upon the Effective Date each Creditor's rights against the Debtor shall be deemed to be altered pursuant to the terms of this Plan and all such Creditors shall be deemed to have waived, relinquished and released any and all of their rights and claims against the Debtor (other than as provided for in the Plan or the Court's Order confirming the Plan).

B. General Terms. The Debtor will comply with the terms of this plan with the income received from its business operations.

C. Secured Claims.

1. Class 2A: The holder of the Class 2A Allowed Claim, Axis Capital, Inc. n/k/a Amur Equipment Finance, Inc., holds a security interest in 2016 Reitnouer flatbed trailer and has filed a secured claim in the amount of \$33,332.90. Said claim shall be amortized over seven (7) years at the Till rate of 5.25% with monthly payments to be reamortized to commence the first month following the date of confirmation of the plan.

2. Class 2B: The holder of the Class 2B Allowed Claim, First Central Bank, holds a security interest in a 2007 Peterbilt, 2016 Timpfe 436 grain trailer, 2005 H & H trailer, JH5103 tractor, and a JD522 loader and has filed a claim in the amount of \$203,333.85. This Creditor holds a second position Deed of Trust on real property not owned by the Debtor. The Debtor's principal will attempt to cause the sale of the real property pursuant to a lease with any net proceeds to be paid after the first lien to this Creditor. The Debtor has sold the 2016 Timpfe 436 grain trailer and the proceeds in the

amount of \$30,000.00 have been paid to this creditor. The allowed secured claim on the personal property after the sale of the grain trailer shall be the fair market value of said property in the amount of \$55,000.00 less adequate protection payments and shall be paid over seven (7) years at the Till rate of 5.25% with monthly payments to be reamortized to commence the first month following the date of confirmation of the plan. The Debtor and this Creditor have entered into a stipulation for adequate protection payments in the amount of \$966.00 per month until the date of confirmation. The remaining debt shall be deemed an unsecured debt and shall be treated under Paragraph D below after the allowed personal property secured claim and the net proceeds, if any from the sale of the real property.

3. Class 2C: The holder of the Class 2C Allowed Claim, KRD Federal Credit Union, holds a security interest in a 2010 Dodge Ram pickup. The Debtor and this Creditor have entered into a stipulation for adequate protection payments in the related Chapter 13 case of Brian Lytle, Case No. 17-40369, in the amount of \$600.00 per month until the date of confirmation. The remaining allowed secured claim less adequate protection payments shall be amortized over seven (7) years at the Till rate of 5.25% with monthly payments to be reamortized to commence the first month following the date of confirmation.

D. Unsecured Claims.

1. Class 3A: The principal of the Debtor would agree to contribute capital in a sum equal to 5% of all Class 3A Allowed Claims, on a pro rata basis, with no interest, amortized over five (5) years in equal annual payments to begin one year after confirmation.

(ARTICLE VI of Plan)

Means of Execution of the Plan

Debtor shall make payments from continued over-the-road trucking operations.

(ARTICLE VII of Plan)

Effective Confirmation

Except as otherwise provided in the Plan or the Court’s Order confirming the Plan (“the Confirmation Order”), the Confirmation Order acts as a Discharge effective as of the Effective Date of any and all debts of the Debtor that arose at any time before the entry of the Confirmation Order including, but not limited to, all principal and any and all interest accrued thereon pursuant to §1141(d)(1) of the Bankruptcy Code. The Discharge of the Debtor shall be effective as to each claim, regardless of whether Proof of Claim thereof was filed, whether the Claim is an Allowed Claim or whether the holder thereof votes to accept the Plan.

(ARTICLE VIII of Plan)

Retention and Enforcement of Claims

Pursuant to §1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor shall retain and may enforce any and all claims of the Debtor, except claims waived, relinquished or released in accordance with the Plan.

(ARTICLE IX of Plan)

Revesting

Except as provided for in the Plan or in the Confirmation Order, on the Effective Date the Reorganized Debtor shall be vested with all of the property of its estate free and clear of all claims, liens, charges and other interests of Creditors arising prior to the Confirmation Date except those liens which continue on secured claims pursuant to the terms and provisions on this Plan.

Upon the Effective Date the Reorganized Debtor shall operate its business free of any restrictions.

(ARTICLE X of Plan)

Retention of Jurisdiction

Notwithstanding confirmation of this Plan, the Bankruptcy Court shall retain jurisdiction for the following purposes:

A. Determination of the allowability of claims and interest upon objection of such claims by the Debtor, the Reorganized Debtor or any other party in interest.

B. Determination of request for payment of claims entitled to priority under §507(a)(1) of the Bankruptcy Code including compensation of parties entitled thereto, if any.

C. Resolution of controversies and disputes regarding the interpretation or enforcement of the terms of the Plan, any of the instruments issued under the Plan or any other documentation evidencing the terms of the Plan.

D. Implementation of the provisions of the Plan and entry of Orders in aid of confirmation of the Plan, including without limitation, appropriate Orders to protect the Reorganized Debtor.

E. Entry of a final Decree closing the Debtor's case.

ARTICLE IV

Financial Projections

A. Value of real property and vehicles and equipment.

Real property – Debtor owns no real property
Vehicles and equipment –Value \$124,500.00

B. Current Operations.

Over-the road trucking operation.

ARTICLE V

Tax Consequences.

The Debtor has not obtained a tax opinion and expresses no opinion as to the tax consequences to the holder of any claim or interest caused by the terms of the Plan of Reorganization. Creditors and other interested parties are advised and encourage to obtain their own tax counsel to determine tax consequences of this Plan.

BECAUSE THE DEBTOR EXPRESSES NO TAX ADVICE IN NO EVENT WILL THE CORPORATION OR ANY AFFILIATES OR PROFESSIONAL ADVISORS ENGAGED BY IT BE LIABLE OF, FOR ANY REASON, THE TAX CONSEQUENCES OF THE PLAN OR AN ADDITIONAL CAPITAL CONTRIBUTION OR OTHER THAN AS ANTICIPATED.

CREDITORS AND INTEREST HOLDERS MUST LOOK SOLELY TO AND RELY SOLELY UPON THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF THE PLAN.

ARTICLE VI

A. The business assets sale proceeds would not pay for the first lienholder claims, therefore, if liquidated the unsecured claims would receive zero.

ARTICLE VII

Miscellaneous Provisions and Disclosures

A. Source of Information

All information is based upon the Debtor's accounting and historical data from operations. The source of all information provided in this Disclosure Statement is from the Debtor. All values on personal property and some real estate are based upon Debtor's opinion.

B. Scheduled claims.

The scheduled claims are set forth in the Debtor's schedules and amended schedules filed with the Bankruptcy Court. A copy of said schedules and amendments to schedules are not attached hereto. The Debtor has in its Plan reserved the right to object to the allowance and amount of any and all claims of secured and unsecured Creditors.

C. Accounting Information.

The source of the financial information provided herein and particularly set forth in the Debtor's Exhibits, attached hereto, is the Debtor. The accounting method used by the Debtor is on a cash basis taxpayer.

D. Administrative Expenses.

At the time of filing this Disclosure Statement the estimated administrative expenses for attorney fees are \$10,000.

ARTICLE VIII

Recommendation

The Debtor recommends that its Disclosure Statement for its Plan of Reorganization be approved.

Respectfully submitted this 13th day of September, 2017.

LYTLE TRUCKING, LLC, Debtor

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9013 NOTICE

TO ALL CREDITORS, PARTIES IN INTEREST AND TRUSTEE:

Please take notice that the Debtor above named has filed its DISCLOSURE STATEMENT on September 13, 2017 with the United States Bankruptcy Court for the District of Nebraska, Lincoln, Nebraska.

Pursuant to Neb. R. Bankr. P. 9013-1, notice is given to all parties in interest, any resistance or objection to the Debtor's DISCLOSURE STATEMENT shall be filed on or before October 4, 2017.

If no resistance or objection is filed on or before October 6, 2016 the Court shall enter an ORDER APPROVING DISCLOSURE STATEMENT in accordance with Neb. R. Bankr. P. 3020. The Court shall consider such submission of the ORDER APPROVING DISCLOSURE STATEMENT as meaning that no further hearing be scheduled and will consider entry of the ORDER without further notice.

All resistance to any motion shall set forth the specific factual and legal basis and conclude with a particular request for relief.

DATED this 13th day of September, 2017.

LYTLE TRUCKING, LLC, Debtor

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served upon all parties listed in the Court's Matrix by electronic mail and by United States regular mail, postage prepaid, on this 13th day of September, 2017.

/s/ John C. Hahn, #15068
Attorney of Record

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SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2016

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor: Brian L Lytle Social security number (SSN): _____

A Principal business or profession, including product or service (see instructions): Trucking **B** Enter code from instructions: _____

C Business name. If no separate business name, leave blank. Lytle Trucking LLC **D** Employer ID number (EIN), (see instr.): _____

E Business address (including suite or room no.): 311 S 9th Street
City, town or post office, state, and ZIP code: McCook NE 69001

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____

G Did you "materially participate" in the operation of this business during 2016? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2016, check here _____

I Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions) Yes No

J If "Yes," did you or will you file required Forms 1099? Yes No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	129,977
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	129,977
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	129,977
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	129,977

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	295
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	11,979
12 Depletion	12		b Other business property	20b	2,494
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	32,165	21 Repairs and maintenance	21	16,229
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	12,710	23 Taxes and licenses	23	2,479
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b	13,165	b Deductible meals and entertainment (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	5,421
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	38,979
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28		28	28	135,916
29 Tentative profit or (loss). Subtract line 28 from line 7	29		29	29	-5,939
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		30	30	0
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31		31	31	-5,939
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.	32a		32a	<input checked="" type="checkbox"/> All investment is at risk.	
	32b		32b	<input type="checkbox"/> Some investment is not at risk.	