

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>RDL Acquisitions, Inc. 26 Johns Road Setauket, NY 11733 Barbara Schoolman, President</p> <p><input type="checkbox"/> Individual appearing without an attorney <input type="checkbox"/> Attorney for:</p>	<p>FOR COURT USE ONLY</p> <p style="text-align: right;">CLERK U.S. BANKRUPTCY EASTERN DISTRICT OF NEW YORK</p> <p style="text-align: right;">2016 SEP - 1 P 1:38</p> <p style="text-align: center; font-size: 2em;">RECEIVED</p>
<p style="text-align: center;"><b>UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF NY – CENTRAL ISLIP DIVISION</b></p>	
<p>In re: Hampton Transportation Ventures, Inc. Case No. 15-73837-AST Schoolman Transportation System Inc. Case No. 078-16-71772 1600 Locust Avenue Associates, LLC Case No. 078-16-71189</p> <p style="text-align: center;">Jointly Administrated</p> <p style="text-align: right;">Debtor(s)</p>	<p>CASE NO.: Jointly Administered 8-15-73837, 8-16-71172, 8-16-71189</p> <p>CHAPTER: 11</p> <p style="text-align: center;"><b>CHAPTER 11 DISCLOSURE STATEMENT DATED September 1, 2016</b></p> <p><u>Hearing/Status Conference</u> Date: Time: Courtroom: Address:</p>

This Chapter 11 Disclosure Statement (Disclosure Statement) relates to the accompanying Chapter 11 Plan (Plan). The Plan proposes to restructure the financial affairs of the above-named Debtor. You may be entitled to vote on the Plan.

The voting rules are explained below, along with a summary of the Plan and other relevant information. This Disclosure Statement is explanatory only. The Plan will be the binding document, if it is confirmed by the court.

*Your rights may be affected. Read these papers carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one.)* Definitions and rules of construction are as set forth below and in the Plan.

## **PART 1. SUMMARY OF PLAN**

**Article I of the Plan** divides creditors and interest holders into the following groups. The precise treatment proposed for each group is specified in Exhibit A to the Plan. What follows is only a summary. Please review the Plan carefully.

- **Unclassified claims**, such as costs of administering this bankruptcy case, generally are entitled to be paid in full on the Plan's Effective Date, which is defined in the Plan and should be a short time after the Plan is confirmed.
- **Classes 1A and 1B – Secured Claims** Allowed Secured Claims are claims secured by the property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under 506 of the Code. If the value of the collateral or setoffs securing creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim
- **Class 3 – Priority Claims** (divided into subclasses 3A, 3B, etc.) consists of "priority" unsecured claims (for example, wages due to employees that were earned, but unpaid, within 180 days before the bankruptcy petition was filed).
- **Class 4 – General Unsecured Claims** consists of "general" unsecured claims (claims that are not entitled to "priority" under the Bankruptcy Code and that are not secured by Collateral), which will receive, over time, the following estimated percentage of their claims (or fixed percentage, if the Plan so provides): **33% of all unsecured Creditors registered claim amount plus interest at 8% until the claim is paid in full in 5 years.** *Exception:* the Plan may designate a subclass of small "convenience class" claims which will be paid in full on the Effective Date, and in rare situations the Plan may designate additional unsecured subclasses.
- **Class 5 – "Interests"**: if Debtor is an organization then "interests" means ownership interests – such as corporate stock, or a partner's interest in a partnership – and if Debtor is an individual, then Debtor is the interest holder. This class will remain unchanged unless otherwise stated in the exhibits to the Plan or this Disclosure Statement.

**Article II of the Plan** governs "executory" contracts and unexpired leases (a contract is generally defined as executory when both Debtor and the other party to the contract have not yet fully performed their obligations, and the unperformed obligations of both parties are significant enough that either party's breach would excuse the other party from performing). Exhibit B to the Plan specifies whether, on the Effective Date, each such contract or lease (a) will be "assumed" as an obligation of the reorganized Debtor (generally meaning that defaults will be cured and the agreement will be reinstated), or (b) will be assumed and then instantaneously assigned to a specified person, or (c) will be "rejected" (meaning that Debtor will no longer perform under the agreement, and the other party can file a claim for damages resulting from that rejection (§ 502(g)).

**Article III of the Plan** explains how Debtor will implement the Plan, and exhibits to this Disclosure Statement describe whether payments under the Plan will be made out of cash on hand, future income, sale(s) of property(ies), or other sources of funding, including supporting calculations. If Debtor is an individual, and if any holder of an allowed unsecured claim objects, then the value of property to be distributed under the Plan must be not less than Debtor's projected disposable income for 5 years (60 months) from the first Plan payment, or for the total payment period under the Plan, whichever is longer (§ 1129(a)(15)).

**Article IV of the Plan** provides that Debtor will be discharged from existing debts as provided in § 1141(d). Generally this means that (1) if Debtor is *not an individual* then the discharge occurs when the Plan is confirmed (except for a liquidating Plan), and (2) if Debtor *is an individual* then (a) the discharge will not occur unless and until Debtor completes all payments under the Plan (all payments for the Plan Term, as specified in Exhibit A to the Plan), unless the court orders otherwise in certain situations, and (b) Debtor will not

be discharged from debts that are nondischargeable under § 523. Article IV of the Plan also specifies certain effects of confirmation, including that creditors are prevented from attempting to collect preconfirmation obligations except in specific circumstances or in accordance with the terms of the Plan.

**Article V of the Plan** includes General Provisions, such as how the Plan can be modified, and a provision that if the Plan complies with certain technical rules then it can be confirmed even if one or more classes of creditors or interest holders vote to reject the Plan (§ 1129(b)).

## **PART 2. VOTING ON PLAN, AND OBJECTIONS**

**A. Who may vote:** You are entitled to vote on the Plan unless: (1) your claim or interest is Disputed (as defined in the Plan); (2) your class is to receive no distribution (presumed to reject the Plan); (3) your class is "unimpaired" (presumed to accept the Plan – see Exhibit A to the Plan for the proponent's designation of which classes are "impaired") (§ 1124); or (4) your claim is unclassified (and thus is required by law to be paid in full) (§§ 1123(a)(1) & 1129(a)(9)(A) & (C)). If your claim or interest is Disputed then you must file a motion to have it allowed for voting purposes (you must do that soon, so that your motion can be heard before votes are counted) (Rule 3018(a)).

**B. Who may vote in more than one class:** If your claim has been allowed in part as a secured claim and in part as an unsecured claim, or if you otherwise hold claims or interests in more than one class, you are entitled to accept or reject the Plan in each capacity and you should return one ballot for each claim or interest.

**C. How to vote:** Fill out and return the attached ballot (if you are entitled to vote) so that it is **received by the deadline** and according to the other instructions in the enclosed order or court-approved notice regarding voting and procedures.

**D. Effect of vote:** The Plan will be confirmed only if (1) it is accepted by each impaired class, or (2) it is accepted by at least one impaired class (without counting the votes of "insiders," as defined in § 101(31)) and the court determines that the Plan is "fair and equitable" (as defined by § 1129(b)) to all rejecting classes of creditors, and (3) it meets all of the other legal requirements for confirmation. A class of creditors accepts the Plan if a majority in number and at least two-thirds in dollar amount of the claims in that class are timely voted in favor of the Plan (§ 1126(c)). A class of interests accepts the Plan if at least two-thirds of those interests are timely voted in favor of the Plan (§ 1126(d)).

**E. Solicitation of votes:** Nobody is permitted to solicit your vote to accept or reject any plan during the bankruptcy case unless, at or before the time of the solicitation, you have been provided with the plan or a summary of the plan and a written disclosure statement that has been approved by the court as containing adequate information for you to make an informed judgment about the plan. Then any person may solicit your vote for or against the Plan.

**F. Who may object:** Even if you are not entitled to vote, you can object to confirmation of the Plan if you believe that the requirements for confirmation are not met (and if you are a party in interest in this bankruptcy case). For the deadlines and procedures, see the enclosed order or court-approved notice.

## **PART 3. OTHER INFORMATION**

**A. Background/Risk Factors.** Attached as an exhibit to this Disclosure Statement is a brief description of: (1) Debtor's history: the events leading to the chapter 11 bankruptcy, and any other relevant history of Debtor's business and financial affairs; (2) significant events during the bankruptcy case; and (3) exit strategy: steps taken or planned to fix the problems that led to bankruptcy, and the principal risk factors in future.

**B. Litigation.** Debtor might sue you if, for example, you received a transfer of funds or any other property from Debtor that is avoidable under the Bankruptcy Code. Other types of claims also may be made, and the Plan proponent has not completed investigations, but the anticipated and pending legal proceedings by or against Debtor are listed in an exhibit to this Disclosure Statement.

**C. Feasibility:** The Plan cannot be confirmed unless the court finds it feasible. A Plan is feasible if confirmation of the Plan is not likely to be followed by Debtor's liquidation or need for further financial reorganization, unless such liquidation or reorganization is proposed in the Plan (§ 1129(a)(11)). The Plan

proponent believes it is feasible because, both on the Effective Date and for the duration of the Plan, the proponent estimates that Debtor will have sufficient cash to make all distributions. Projected revenues, expenses, and proposed payments to creditors during the Plan are specified in Exhibit C to this Disclosure Statement.

**D. Tax consequences of the Plan:** (1) Tax consequences to the debtor: The tax consequences to Debtor of the Plan's implementation, including but not limited to tax attribute reduction and the recognition of gain or loss on any sale of Debtor's assets (and the projected tax thereon), have been taken into account and are properly reflected in the financial projections attached to this Disclosure Statement and Exhibits A and B to the Plan.

(2) Tax consequences to holders of claims and interests: You should consult your own accountant, attorney and/or advisors as to the tax effect to you of Plan transactions.

*[Note: Pursuant to § 1125(a)(1), the court may require a more detailed description of the tax consequences of the Plan to the debtor and other interested parties, including holders of claims and interests, if the court determines that such information is required in view of the Plan's complexity, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information].*

**E. Liquidation analysis:** The Plan cannot be confirmed unless the court finds that, for each impaired class of claims or interests that has not accepted the Plan, the class will receive or retain no less than if Debtor's bankruptcy estate were liquidated under chapter 7 of the Bankruptcy Code. A liquidation analysis is attached as an exhibit to this Disclosure Statement.

**F. Special procedures:** This Disclosure Statement and the accompanying Plan, with exhibits, are the principal documents for Debtor's proposed financial restructuring, but the court may authorize more lengthy documents to be filed separately (a Plan supplement), or may authorize shorter documents to be served on some classes. Streamlined procedures are encouraged, both to save costs and because that may provide creditors and other parties in interest with more meaningful disclosure. For example, the court may consider: (1) whether, instead of receiving the full Plan and Disclosure Statement, some classes should receive a "court-approved summary" such as a brief table showing the proposed treatment of each class, with prominent instructions on how to request a copy of the full documents and/or review them online (see § 1125(b) & (c) and Rule 3017(d)(1)); (2) whether to establish special procedures of transmitting documents and information "to beneficial holders of stock, bonds, debentures, notes, and other securities" (see Rule 3017(e)), (3) whether to adjust any deadlines (see Rule 9006(c)), and (4) whether to adopt any other special procedures.

<p>I declare under penalty of perjury under the laws of the United States that the foregoing and the factual assertions in the attached exhibits are true and correct.</p> <p>Signature: <u>Barbara Schoolman</u></p> <p>Debtor or other Plan proponent</p> <p>Date: <u>09/01/16</u></p>	<p>Printed name of signer: Barbara Schoolman</p> <p>Organization (if applicable): RDL Acquisitions, Inc.</p> <p>Title (e.g., President): President</p>
<p>Signature: _____</p> <p>Attorney (if any) for Plan proponent</p> <p>Date: _____</p>	<p>Printed name of signer: Michael Mc Auliffe</p> <p>Law firm: The Law Office of Michael G. Mc Auliffe</p>

**Attorney Certification** (subject to what the judge may permit/require, this form is not mandatory, but if it is used then it and its exhibits must not be altered without disclosure/authorization as provided below):

I, the undersigned, am legal counsel for the above-referenced Plan proponent, and I hereby certify the following: (1) the foregoing Disclosure Statement and attached exhibits are true and correct copies of the latest versions of the local forms of disclosure statement and exhibits approved for use by the United States Bankruptcy Court for the Eastern District of New York; (2) modifications have been made as directed or permitted by written order (docket no. \_\_\_\_ ) (or, if the presiding judge permits, by other authorization such as oral approval by the court on the record – specify: \_\_\_\_\_); and (3) no other alterations or modifications to any provision of such form have been made except as shown by a "redlined" version of this Disclosure Statement (docket no. \_\_\_\_ ) or as follows:

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_, Print name: \_\_\_\_\_.

<i>Exhibits to Plan</i>	<i>Description</i>	<i>Exhibits to Disclosure Statement</i>	<i>Description</i>
A	Treatment of Claims and Interests	C	Projected Revenues and Expenses
B	Treatment of Executory Contracts and Unexpired Leases	D	Recent Financial History
<i>Additional Enclosures</i>	<i>Description</i>	E	Secured Claims, and any § 1111(b) Analysis
	Ballot	F	General Unsecured Claims (Class 4)
	Order or Notice Regarding Deadlines and Procedures	G	Liquidation Analysis
		H	Endnotes/Continuation Sheets

**EXHIBIT A****Treatment of Claims and Interests****Class 1A. Secured –**

Creditors in this class will receive a 25% Debt for Equity Swap and a 75% Debt for Debt Swap. The new debt will be in the form of a note issued by RDL Acquisitions, Inc. The new note will make interest only payments of 8% per annum starting on April 1, 2017 and the principal balance of the note will be paid in full within 60 months thereafter.

Creditor	Claim Amount	25% Debt for Equity Swap	75% Debt for Debt Swap	Interest Payments on Debt for Five Years	Total Cash Recovery
JP Morgan Chase Bank	\$1,121,698.12	\$280,424.53	\$841,2713.59	\$336,569.40	\$1,177,783.03
Big Shoulders Capital, LLC*	\$2,504,559.31	\$631,481.11	\$999,169.73	\$399,677.80	\$1,398,837.63

\*The plan proposes to return to the Creditor \$1,172,333.00 in useable rolling stock which will be parked in accordance with the WARN letter issued by the Trustee.

**Class 1B. Secured**

Creditors in this class will receive payment of 100% of the claim amount.

Creditor	Claim Amount				Total Cash Recovery
Property Tax	\$85,000.00				\$85,000.00

**Class 4. Unsecured**

Creditors in this class will receive an amount equal to 33 cents on the dollar for each dollar of claims filed as new debt. The new debt will be in the form of a note issued by RDL Acquisitions, Inc. The new note will make interest payments only of 8% per annum starting on April 1, 2017 and the principal balance of the note will be paid in full within 60 months thereafter.

Creditor	Claim Amount	Recovery Percentage	Total Note Amount	Interest Payments on Debt for Five Years	Total Cash Recovery
Mr. Pump	\$3,503.13	33%	\$1,156.03	\$462.60	\$2,018.63
Winter Bros.	\$325.88	33%	\$107.54	\$43.20	\$150.74
Prime Rate	\$2,416.38	33%	\$797.41	\$319.20	\$1,116.61
W. W. Grainger	\$1,083.31	33%	\$357.49	\$142.80	\$500.29
Commercial Lubricants	\$8,288.71	33%	\$2,735.77	\$1,094.40	\$3,380.17
Gabrielle Truck Sales	\$1,381.85	33%	\$456.01	182.40	\$638.41
Bridgehampton National Bank	\$210,936.22	33%	\$69,608.95	\$27,843.60	\$97,452.55
SY Bus Advertising	\$863,521.23	33%	\$284,962.01	\$113,985.80	\$398,947.81
Paradise Advertising, Inc	\$38,929.00	33%	\$12,846.57	\$5,138.40	\$17,984.97
The Hudson Group	\$42,898.06	33%	\$14,156.36	\$5,662.80	\$19,819.16
ACM Riverhead V LLC	\$3,188,379.30	33%	\$1,052,165.17	\$420,865.80	\$1,473,030.94
Direct TV	\$210.48	33%	\$69.46	\$27.60	\$97.06

## **EXHIBIT B**

### **Treatment of Executory Contracts and Unexpired Leases**

**Hampton Luxury Liner Adverting, LLC.** One of the Debtor companies, Hampton Transportation Ventures Inc., was partners in an entity called Hampton Luxury Liner Advertising, LLC. The plan intends to surrender its interest in this entity to the other members of the LLC and severe all interests, ties and business relationships.

**EXHIBIT C**  
Projected Revenues and Expenses

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Calender Period	10/16 - 9/17	10/17 - 9/18	10/18 - 9/19	10/19 - 9/20	10/20 - 9/21
Gross Revenues	5,000,000.00	5,150,000.00	5,304,500.00	5,463,635.00	5,627,544.05
Variable Costs	2,705,000.00	2,734,650.00	2,816,689.50	2,901,190.19	2,988,225.89
Gross Profit	2,295,000.00	2,415,350.00	2,487,810.50	2,562,444.82	2,639,318.16
Operating Expenses	1,650,000.00	1,699,500.00	1,750,485.00	1,802,999.55	1,857,089.54
Marketing Expenses	100,000.00	103,000.00	106,090.00	109,272.70	112,550.88
Gross Operating Profit	545,000.00	612,850.00	631,235.50	650,172.57	669,677.74
Advertising Income	260,000.00	350,000.00	260,000.00	260,000.00	260,000.00
EBDITA	805,000.00	962,850.00	891,235.50	910,172.57	929,677.74
Debt Service	\$ (266,066.00)	\$ (266,066.00)	\$ (266,066.00)	\$ (266,066.00)	\$ (266,066.00)
CAP X	\$ (250,000.00)	\$ (500,000.00)	\$ (750,000.00)	\$ (750,000.00)	\$ (750,000.00)
Asset Sale	\$ 80,000.00	\$ 70,000.00	\$ 60,000.00	\$ 50,000.00	\$ 40,000.00
Net Cash Flow	368,934.00	635,718.00	570,887.50	514,994.07	468,605.81



**EXHIBIT D**  
Recent Financial History

## Hampton Transportation Ventures, Inc / Schoolman Transportation System, Inc / 1600 Locust Avenue Associates, LLC

Case No. 15-73837-AST / 078-16-71172 / 078-16-71189

## Combined Operating Reports

	2016	April	May	June	July	Year-to-Date
Gross Revenues	\$ 442,503.37	\$ 446,336.71	\$ 412,951.57	\$ 450,686.61	\$	1,752,478.26
Less: Returns and Allowances	-	-	-	-	-	-
Net Revenue	442,503.37	446,336.71	412,951.57	450,686.61		1,752,478.26
<b>COST OF GOODS SOLD</b>						
Beginning Inventory	-	-	-	-	-	-
Add: Purchases	-	-	-	-	-	-
Add: Cost of Labor <i>(attach schedule)</i>	95,895.83	112,015.46	104,404.45	87,720.15		400,035.89
Add: Other Costs <i>(attach schedule)</i>	67,141.34	158,111.80	160,351.30	119,487.43		505,091.87
Less: Ending Inventory	-	-	-	-	-	-
Cost of Goods Sold	163,037.17	270,127.26	264,755.75	207,207.58		905,127.76
Gross Profit	279,466.20	176,209.45	148,195.82	243,479.03		847,350.50
<b>OPERATING EXPENSES</b>						
Advertising	-	-	-	-	-	-
Auto and Truck Expense	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Employee Benefit Programs	-	-	-	-	-	-
Officer/Insider Compensation	-	-	-	-	-	-
Insurance	39,191.40	35,856.15	37,286.78	36,663.38		148,997.71
Management Fees/Bonuses	-	-	-	-	-	-
Office Expense	-	-	-	-	-	-
Pension & Profit-Sharing Plans	-	-	-	-	-	-
Repairs and Maintenance	597.44	1,121.01	662.61	11,093.40		13,474.46
Rent and Lease Expense	22,322.13	30,904.61	29,533.64	26,949.77		109,710.15
Salaries/Commissions/Fees	37,556.78	45,179.01	45,010.14	45,806.12		173,552.05
Supplies	1,706.97	1,447.86	2,399.90	1,410.30		6,965.03
Taxes - Payroll	6,254.03	5,108.82	2,614.83	5,115.36		19,093.04
Taxes - Real Estate	-	37,902.24	-	-		37,902.24
Taxes - Other	272.00	-	-	-		272.00
Travel and Entertainment	-	-	-	-	-	-
Utilities	-	11,976.08	6,262.90	3,741.77		21,980.75
Other <i>(attach schedule)</i>	15,367.29	12,338.32	13,851.81	13,602.77		55,160.19
Total Operating Expenses Before Depreciation	123,268.04	181,834.10	137,622.61	144,382.87		587,107.62
Depreciation/Depletion/Amortization	85,105.50	85,787.47	84,742.51	118,660.99		374,296.47
Net Profit (Loss) Before Other Income & Expenses	71,092.66	(91,412.12)	(74,169.30)	(19,564.83)		(114,053.59)
<b>OTHER INCOME AND EXPENSES</b>						
Interest Income	-	-	-	-	-	-
Other Income	750.00	763.84	0.12	(14,263.84)		(12,749.88)
Shop Services Business	-	-	-	-	-	-
Interest Expense	44.34	(49.50)	(156.54)	(231.71)		(393.41)
Total Other Income	794.34	714.34	(156.42)	(14,495.55)		(13,143.29)
Net Profit Before Reorganization Items	\$ 71,887.00	\$ (90,697.78)	\$ (74,325.72)	\$ (34,060.38)	\$	(127,196.88)
<b>EBDITA - FREE CASH FLOW FROM OPERATIONS</b>	<b>156,992.50</b>	<b>(4,910.31)</b>	<b>10,416.79</b>	<b>84,600.61</b>		<b>247,099.59</b>

## Hampton Transportation Ventures, Inc.

Case No. 15-73837-AST

## Consolidated Operating Report

	April	May	June	July	Year-to-Date
Gross Revenues	\$ 115,248.51	\$ 175,299.51	\$ 194,578.57	\$ 271,117.61	\$ 756,244.20
Less: Returns and Allowances					-
Net Revenue	115,248.51	175,299.51	194,578.57	271,117.61	756,244.20
<b>COST OF GOODS SOLD</b>					
Beginning Inventory					
Add: Purchases					
Add: Cost of Labor <i>(attach schedule)</i>	23,584.15	59,146.79	49,629.78	51,532.69	183,893.41
Add: Other Costs <i>(attach schedule)</i>	25,819.37	61,427.12	77,038.60	74,486.13	238,771.22
Less: Ending Inventory					
Cost of Goods Sold	49,403.52	120,573.91	126,668.38	126,018.82	422,664.63
Gross Profit	65,844.99	54,725.60	67,910.19	145,098.79	333,579.57
<b>OPERATING EXPENSES</b>					
Advertising					-
Auto and Truck Expense					-
Bad Debts					-
Contributions					-
Employee Benefit Programs					-
Officer/Insider Compensation					-
Insurance	14,760.38	19,798.59	20,247.48	21,400.79	76,207.24
Management Fees/Bonuses					-
Office Expense					-
Pension & Profit-Sharing Plans					-
Repairs and Maintenance					-
Rent and Lease Expense	7,750.00	15,500.00	15,500.00	15,500.00	54,250.00
Salaries/Commissions/Fees	11,700.18	22,553.22	22,422.51	25,384.04	82,059.95
Supplies	29.71	353.59	1,101.70	454.87	1,939.87
Taxes - Payroll	904.48	2,069.87	2,521.77	2,187.15	7,683.27
Taxes - Real Estate					-
Taxes - Other	246.00				246.00
Travel and Entertainment					-
Utilities					-
Other <i>(attach schedule)</i>	6,186.98	4,471.14	8,426.86	4,103.83	23,188.81
Total Operating Expenses Before Depreciation	41,577.73	64,746.41	70,220.32	69,030.68	245,575.14
Depreciation/Depletion/Amortization	59,236.84	59,175.15	59,112.88	80,044.23	257,569.10
Net Profit (Loss) Before Other Income & Expenses	(34,969.58)	(69,195.96)	(61,423.01)	(3,976.12)	(169,564.67)
<b>OTHER INCOME AND EXPENSES</b>					
Interest Income					-
Other Income				(13,750.00)	(13,750.00)
Shop Services Business					
Interest Expense	58.00	(49.50)	(156.54)	(231.71)	(379.75)
Total Other Income / Expense	58.00	(49.50)	(156.54)	(13,981.71)	(14,129.75)
Net Profit Before Reorganization Items	\$ (34,911.58)	\$ (69,245.46)	\$ (61,579.55)	\$ (17,957.83)	\$ (183,694.42)
<b>EBDITA - FREE CASH FLOW FROM OPERATIONS</b>	24,325.26	(10,070.31)	(2,466.67)	62,086.40	73,874.68

## Schoolman Transportation System, Inc

Case No. 078-16-71172

## Consolidated Operating Report

	April	May	June	July	Year-to-Date
Gross Revenues	\$ 302,254.86	\$ 246,037.20	\$ 193,373.00	\$ 154,569.00	\$ 896,234.06
Less: Returns and Allowances					-
Net Revenue	302,254.86	246,037.20	193,373.00	154,569.00	896,234.06
<b>COST OF GOODS SOLD</b>					
Beginning Inventory					
Add: Purchases					
Add: Cost of Labor ( <i>attach schedule</i> )	72,311.68	52,868.67	54,774.67	36,187.46	216,142.48
Add: Other Costs ( <i>attach schedule</i> )	41,321.97	96,684.68	83,312.70	45,001.30	266,320.65
Less: Ending Inventory					
Cost of Goods Sold	113,633.65	149,553.35	138,087.37	81,188.76	482,463.13
Gross Profit	188,621.21	96,483.85	55,285.63	73,380.24	413,770.93
<b>OPERATING EXPENSES</b>					
Advertising					-
Auto and Truck Expense					-
Bad Debts					-
Contributions					-
Employee Benefit Programs					-
Officer/Insider Compensation					-
Insurance	22,809.52	15,526.06	15,050.30	14,731.09	68,116.97
Management Fees/Bonuses					-
Office Expense					-
Pension & Profit-Sharing Plans					-
Repairs and Maintenance					-
Rent and Lease Expense	14,572.13	15,404.61	14,033.64	11,449.77	55,460.15
Salaries/Commissions/Fees	25,856.60	22,625.79	22,587.63	20,422.08	91,492.10
Supplies	1,581.51	1,094.27	1,298.20	955.43	4,929.41
Taxes - Payroll	5,349.55	3,038.95	93.06	2,928.21	11,409.77
Taxes - Real Estate					-
Taxes - Other	26.00				26.00
Travel and Entertainment					-
Utilities					-
Other ( <i>attach schedule</i> )	8,139.43	6,061.30	5,424.95	7,964.52	27,590.20
Total Operating Expenses Before Depreciation	78,334.74	63,750.98	58,487.78	58,451.10	259,024.60
Depreciation/Depletion/Amortization	23,912.17	24,049.99	23,677.09	36,664.19	108,303.44
Net Profit (Loss) Before Other Income & Expenses	86,374.30	8,682.88	(26,879.24)	(21,735.05)	46,442.89
<b>OTHER INCOME AND EXPENSES</b>					
Interest Income					-
Other Income	750.00	763.84	0.12	(513.84)	1,000.12
Shop Services Business	2,384.83	4,908.78	4,675.52	14,835.90	26,805.03
Interest Expense	(13.66)				(13.66)
Total Other Income	3,121.17	5,672.62	4,675.64	14,322.06	27,791.49
Net Profit Before Reorganization Items	\$ 89,495.47	\$ 14,355.50	\$ (22,203.60)	\$ (7,412.99)	\$ 74,234.38
<b>EBDITA - FREE CASH FLOW FROM OPERATIONS</b>	113,407.64	38,405.49	1,473.49	29,251.20	182,537.82

## 1600 Locust Avenue Associates, LLC

Case No. 076-16-71189

## Consolidated Operating Report

	April	May	June	July	Year-to-Date
Gross Revenues	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 100,000.00
Less: Returns and Allowances					-
Net Revenue	25,000.00	25,000.00	25,000.00	25,000.00	100,000.00
<b>COST OF GOODS SOLD</b>					
Beginning Inventory					
Add: Purchases					
Add: Cost of Labor <i>(attach schedule)</i>					-
Add: Other Costs <i>(attach schedule)</i>					-
Less: Ending Inventory					
Cost of Goods Sold	-	-	-	-	-
Gross Profit	25,000.00	25,000.00	25,000.00	25,000.00	100,000.00
<b>OPERATING EXPENSES</b>					
Advertising					-
Auto and Truck Expense					-
Bad Debts					-
Contributions					-
Employee Benefit Programs					-
Officer/Insider Compensation					-
Insurance	1,621.50	531.50	1,989.00	531.50	4,673.50
Management Fees/Bonuses					-
Office Expense					-
Pension & Profit-Sharing Plans					-
Repairs and Maintenance	597.44	1,121.01	662.61	11,093.40	13,474.46
Rent and Lease Expense					-
Salaries/Commissions/Fees					-
Supplies	95.75				95.75
Taxes - Payroll					-
Taxes - Real Estate		37,902.24			37,902.24
Taxes - Other					-
Travel and Entertainment					-
Utilities		11,976.08	6,262.90	3,741.77	21,980.75
Other <i>(attach schedule)</i>	1,040.88	1,805.88		1,534.42	4,381.18
Total Operating Expenses Before Depreciation	3,355.57	53,336.71	8,914.51	16,901.09	82,507.88
Depreciation/Depletion/Amortization	1,956.49	2,562.33	1,952.54	1,952.57	8,423.93
Net Profit (Loss) Before Other Income & Expenses	19,687.94	(30,899.04)	14,132.95	6,146.34	9,068.19
<b>OTHER INCOME AND EXPENSES</b>					
Interest Income					
Other Income					
Shop Services Business					
Interest Expense					
Total Other Income	-	-	-	-	-
Net Profit Before Reorganization Items	\$ 19,687.94	\$ (30,899.04)	\$ 14,132.95	\$ 6,146.34	\$ 9,068.19
<b>EBDITA - FREE CASH FLOW FROM OPERATIONS</b>	21,644.43	(28,336.71)	16,085.49	8,098.91	17,492.12

**STS / HTV / 7BUS / 1600 LOCUST  
COMBINED P&L 2015**

ACTUAL 2015													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	2015
Revenue:													
7BUS	\$ 54,297	\$ 80,621	\$ 88,490	\$ 97,154	\$ 76,764	\$ 43,314	\$ 39,111	\$ 42,354	\$ 67,539	\$ 74,695	\$ 68,357	\$ 50,714	\$ 783,409
STS													
Charter	85,304	64,161	145,180	139,111	188,351	150,554	82,930	68,606	77,640	146,199	74,881	83,208	1,306,124
Mohegan Sun	39,166	45,835	47,458	44,283	48,405	40,715	44,809	58,217	52,113	48,895	43,884	45,544	559,324
Other	-	4,050	7,305	575	-	-	552	-	3,439	5,385	7,220	(55)	28,471
	124,470	114,046	199,943	183,969	236,756	191,269	128,291	126,823	133,191	200,479	125,985	128,697	1,893,919
HTV													
Charter	17,361	38,970	39,130	43,106	36,595	45,989	6,475	26,530	33,850	55,878	53,368	21,234	418,486
South Fork	4,418	3,238	-	6,003	57,100	86,419	213,936	198,387	66,143	10,110	7,067	635	653,457
Wine Tours - Daily Deal	47,010	19,360	9,682	28,934	52,859	56,210	56,480	62,852	70,646	94,138	32,335	24,694	555,198
Wine Tours - Group	-	-	-	-	-	2,975	6,650	2,975	6,245	8,525	-	-	27,370
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	68,788	61,568	48,812	78,042	146,554	191,593	283,541	290,744	176,884	168,651	92,770	46,563	1,654,511
	247,555	256,235	337,245	359,166	460,074	426,176	450,944	459,920	377,614	443,824	287,111	225,974	4,331,839
Cost of Sales:													
7BUS	72,878	71,489	81,566	78,173	66,335	48,715	48,433	61,251	55,322	69,110	56,735	58,507	768,513
STS	65,099	58,019	82,044	90,228	98,256	96,346	73,434	72,084	40,229	79,035	74,069	60,219	889,064
HTV	26,523	41,639	36,799	45,910	67,838	70,261	109,421	30,716	113,122	77,659	38,044	16,199	674,132
Shop Labor + Benefits	36,367	29,644	30,151	34,919	31,916	33,334	35,027	30,176	37,938	34,389	37,667	41,716	413,244
	200,869	200,791	230,560	249,230	264,344	248,656	266,315	194,227	246,612	260,193	206,514	176,641	2,744,953
Gross Profit	46,687	55,444	106,685	109,936	195,730	177,520	184,628	265,694	131,002	183,631	80,597	49,333	1,586,886
Operating Expenses	99,591	142,090	138,896	141,536	140,286	140,234	140,920	136,377	136,662	150,360	136,964	125,363	1,629,278
Rent Adjustment	(11,835)	(22,155)	(6,455)	(15,585)	17,344	(15,931)	(16,821)	(16,415)	(24,235)	(24,260)	(10,001)	19,967	(126,383)
	87,756	119,935	132,441	125,950	157,630	124,303	124,099	119,962	112,427	126,100	126,963	145,330	1,502,895
	(41,070)	(64,491)	(25,756)	(16,014)	38,100	53,217	60,530	145,732	18,574	57,532	(46,366)	(95,997)	83,991
Marketing Expense	43	1,529	239	388	-	-	136	40	-	13	-	1,603	3,991
	(41,113)	(66,020)	(25,995)	(16,403)	38,100	53,217	60,394	145,692	18,574	57,518	(46,366)	(97,600)	80,000
Other Income (expense)													
Advertising Income	-	-	-	-	4,507	-	-	190,175	-	-	-	54,598	249,280
Shop Services Business - Allocated Profits	426	361	2,625	3,386	7,751	1,558	2,294	7,186	9,897	8,545	-	1,914	45,943
	426	361	2,625	3,386	12,258	1,558	2,294	197,361	9,897	8,545	-	56,512	295,223
EBITDA	\$ (40,686)	\$ (66,659)	\$ (23,369)	\$ (13,017)	\$ 60,358	\$ 64,776	\$ 62,687	\$ 343,064	\$ 28,471	\$ 66,064	\$ (46,366)	\$ (41,088)	\$ 375,223

**EXHIBIT F**

Secured Claims, and any § 1111(b) Analysis

NONE

**EXHIBIT F****General Unsecured Claims (Class 4)**

Creditors in this class will receive an amount equal to 33 cents on the dollar for each dollar of claims filed as new debt. The new debt will be in the form of a note issued by RDL Acquisitions, Inc. The new note will make interest payments only of 8% per annum starting on April 1, 2017 and the principal balance of the note will be paid in full within 60 months thereafter.

<b>Creditor</b>	<b>Claim Amount</b>	<b>Recovery Percentage</b>	<b>Total Note Amount</b>	<b>Interest Payments on Debt for Five Years</b>	<b>Total Cash Recovery</b>
<b>Mr. Pump</b>	\$3,503.13	33%	\$1,156.03	\$462.60	\$2,018.63
<b>Winter Bros.</b>	\$325.88	33%	\$107.54	\$43.20	\$150.74
<b>Prime Rate</b>	\$2,416.38	33%	\$797.41	\$319.20	\$1,116.61
<b>W. W. Grainger</b>	\$1,083.31	33%	\$357.49	\$142.80	\$500.29
<b>Commercial Lubricants</b>	\$8,288.71	33%	\$2,735.77	\$1,094.40	\$3,380.17
<b>Gabrielle Truck Sales</b>	\$1,381.85	33%	\$456.01	182.40	\$638.41
<b>Bridgehampton National Bank</b>	\$210,936.22	33%	\$69,608.95	\$27,843.60	\$97,452.55
<b>SY Bus Advertising</b>	\$863,521.23	33%	\$284,962.01	\$113,985.80	\$398,947.81
<b>Paradise Advertising, Inc</b>	\$38,929.00	33%	\$12,846.57	\$5,138.40	\$17,984.97
<b>The Hudson Group</b>	\$42,898.06	33%	\$14,156.36	\$5,662.80	\$19,819.16
<b>ACM Riverhead V LLC</b>	\$3,188,379.30	33%	\$1,052,165.17	\$420,865.80	\$1,473,030.94
<b>Direct TV</b>	\$210.48	33%	\$69.46	\$27.60	\$97.06



# **EXHIBIT G** **Liquidation Analysis**

Itemized below are any <i>changes</i> to the most recent bankruptcy Schedules A&B, attached/at docket # ???			81671172	Endnotes (Ex.H):		
<b>1. Total from bankruptcy Schedule A:</b>			B.24. Customer lists/personal info.	\$ -	<b>Partnerships:</b> If Debtor is a partnership, then general partners are liable for any deficiency of estate property to pay all allowed claims (§ 723(a)) so their financial condition must be disclosed.	
1600 Locust Ave, Bohemia, NY 11716	\$ 1,560,000.00	B.25. Vehicles & accessories	\$ 2,450,000.00			
	\$ -	B.26. Boats, motors, accessories	\$ -			
	\$ -	B.27. Aircraft and accessories	\$ -			
	\$ -	B.28. Office equip., furnishings, supplies	\$ 5,000.00			
	\$ -	B.29. Machinery, fixtures, equip., supplies	\$ -			
<b>2. Adjusted total, Schedule A property</b>			\$ 1,560,000.00	B.30. Inventory	\$ -	<b>Note on valuation:</b> Subject to any court order or attached continuation sheet: (1) Real estate valuation may assume 8% costs of sale. (2) Accounts receivable may be discounted up to 50% of face value (to account for lack of collectibility in orderly liquidation). (3) Any appraisals or other support for valuations are available upon request.
<b>3. Total from bankruptcy Schedule B</b>			\$ -	B.31. Animals	\$ -	
B.1. Cash on hand	\$ 121,000.00	B.32. Crops - growing or harvested	\$ -			
B.2. Bank accounts, or equivalent	\$ -	B.33. Farming equipment/implements	\$ -			
B.3. Security deposits	\$ -	B.34. Farm supplies, chemicals, feed	\$ -			
B.4. Household goods and furnishings	\$ -	B.35. Other (itemize in Ex.H)	\$ -			
B.5. Books, art, antiques, collectibles	\$ -	<b>4. Adjusted total, Sch. B property</b>		\$ 2,576,000.00		
B.6. Wearing apparel	\$ -	<b>5. Other (e.g., avoidance actions-itemize)</b>		\$ -		
B.7. Furs and jewelry	\$ -	<b>6. Total Assets (ln.2+4+5)</b>		\$ 4,136,000.00		
B.8. Hobby equipment	\$ -	<b>7. Claims Senior to General Unsecured Claims</b>				
B.9. Insurance policies	\$ -	7a. Secured claims (after bifurcation)	\$ 3,626,257.43			
B.10. Annuities	\$ -	7b. Chapter 7: trustee fees (from sidebar)	\$ 147,330.00			
B.11. Tuition accounts	\$ -	7c. Chapter 7: other costs of administration	\$ 99,700.00			
B.12. IRAs or other pension/profit sharing	\$ -	7d. Chapter 11: unpaid professionals' fees	\$ -			
B.13. Stock/interests in businesses	\$ -	7e. Chapter 11: other administrative costs	\$ -			
B.14. Partnerships or joint ventures	\$ -	7f. Priority claims (bankruptcy Schedule E)	\$ 85,000.00			
B.15. Bonds & instruments	\$ -	7g. Debtor's exemptions (bankr. Sch.C)	\$ -			
B.16. Accounts receivable	\$ -	7h. Other/adjustments (describe in Ex.H)	\$ -			
B.17. Domestic support/property division	\$ -	<b>8. Total Senior Claims (ln. 7a to 7h)</b>	\$ 3,958,287.43			
B.18. Tax refunds & other liquidated \$	\$ -	<b>9. Net available for unsecured (ln.6-ln.8)</b>	\$ 177,712.57			
B.19. Equitable interests, life estates, etc.	\$ -	10a. Gen. unsecured claims from Ex.F	\$ 3,503.13			
B.20. Inheritances, death benefits, etc.	\$ -	10b. Other gen. unsecured claims (if any)	\$ -			
B.21. Other contingent/unliquidated claims	\$ -	<b>11. Total gen. unsecured (ln.10a+10b)</b>	\$ 3,503.13			
B.22. Patents, copyrights, other IP	\$ 3,685.00	<b>12. Ch. 7 Estimated Dividend (ln.9/ln.11)</b>	5073.0%			
B.23. Licenses, franchises, intangibles	\$ -	<b>13. Plan Est. Dividend (Ex.A Class 4A)</b>	%			

Hypothetical chapter 7 trustee fees			
\$ 4,136,000.00	Total disbursements		
\$ -	Minus exemptions		
\$ -	Minus adjustments*		
\$ 4,136,000.00	= Net disbursements		
\$ 326 calculations			
\$ 5,000.00	X 25% =	\$ 1,250.00	
\$ 45,000.00	X 10% =	\$ 4,500.00	
\$ 950,000.00	X 5% =	\$ 47,500.00	
\$ 3,136,000.00	X 3% =	\$ 94,080.00	
\$ 4,136,000.00	Totals	\$ 147,330.00	
	Adjustment (if any):	\$ -	
	Trustee Fee:	\$ 147,330.00	

\*Adjustments would include, e.g., estimated refunds, and non-estate funds/ assets returned to third parties.

## **EXHIBIT H**

Endnotes/Continuation Sheets

### **HISTORY OF PREDECESSOR COMPANIES:**

Hampton Transportation Ventures, Inc.  
Schoolman Transportation Systems, Inc.  
1600 Locust Avenue Associates, LLC

The Schoolman Family has been in the transportation business for 40 years. The business began after Bill was left stranded at the airport three times by the local airport service and decided he could run the business better than the local carrier.

In 1976, Classic Transportation began with two station wagons operating airport-shared rides to the New York Metropolitan airports. In 1981, Classic added sedans and limousines. In 1983, Classic added Motorcoaches and did scheduled line service to Atlantic City (AC) and also did group charters. The Motorcoach business grew and by 2007, Classic was the third largest supplier of passengers to AC out of the New York Metropolitan area. Classic negotiated subsidies from the casinos which made the AC run very profitable.

As the number of casinos grew, surrounding AC and the growth of Yonkers, then Aqueduct, the future decline of AC was clear. To offset the foreseen AC decline, in 2009, Bill and Barbara purchased the remaining assets of Hampton Luxury Liner whose buses had been repossessed. Bill and Barbara purchased new equipment and ran scheduled line service between Manhattan and the Hamptons. The attraction of HLL is that each coach features free Wi-Fi, power outlets, cup holders at every seat, plush black leather seats that recline with extra legroom, and a galley containing snacks and beverages.

Eventually Classic and its affiliates operated seven different revenue streams: retail wine tours, group wine tours, Mohegan Sun casino runs, group charter, college express, and two different commuter runs.

### **AWARDS AND ACCOMPLISHMENTS**

Bill has acted as a leader and an innovator on a national basis concerning safety in commercial transportation as well as using technology in HOV shared ride environments. In February 2011, he was named "Safety Leader of the Year" by the United Motorcoach Association (UMA) which is North America's largest association for operators of Motorcoach companies. The award is for leadership and contribution in promoting safe operations in the industry. Bill was featured on Good Morning America for using the Drive am video camera feedback system, the first major event recorder used for identifying bad driving behaviors. Bill is very active in various industry trade groups and associations. He is past president of AGTA (Airport Ground Transportation Association). In October 2010, Hampton Luxury Liner (HLL), in its second year of operation, was awarded the "Best Tourist Transportation for 2010" by the Concierge Choice Awards. HLL was runner-up in both 2011 and 2012. In December 2011, Bill was recognized by Long Island Business News as one of twenty most influential people on Long Island for starting a campaign and was successful at reducing the MTA payroll tax. In March 2011, Bill was appointed to the Suffolk County Planning Commission. Bill has a Bachelor's degree in

Engineering from Lehigh University and a Master's degree in Engineering from the Polytechnic Institute of Brooklyn. He was an adjunct professor at both Long Island University and Polytechnic Institute.

## **CASH FLOW PROBLEMS**

Classic was successfully repositioning it generating real cash flow until the extreme impact of Hurricane Sandy hit in October 2012 and brought the AC revenue stream to an abrupt end. Cash flow dried up. Classic documented \$1.8 M in economic damages and eventually received some loans from FEMA and New York Rising covering approximately 25% of the documented economic damages. On May 1<sup>st</sup>, 2013, approximately six months before receiving the FEMA funds, the company literally ran out of money and stopped paying the two major secured creditors, Suffolk County National Bank (SCNB) and M&T Bank. **Prior to that, Classic had a 27-year history of never being late with a debt service payment.** Both SCNB and M&T gave Classic forbearance agreements. In November 2013, SCNB was in trouble with the feds and sold our loan to a hedge fund in NYC, Atalaya Capital Management (ACM). Contemporaneously, Chase bank was due an \$800,000 balloon payment by December 31<sup>st</sup>, 2013. **Up to the balloon payment, Classic was never late with a debt service payment to Chase.** Because of the significant impact of Hurricane Sandy on Classic's cash flow and profits, Chase refused to refinance the balloon payment.

In February 2014, ACM forced Classic to hire a turnaround expert company (KCP Advisory) who promised to secure an SBA 7A loan. Classic signed a term sheet for the 7A loan in July 2014 for \$4.9 M loan with a company called Newtek. The loan would pay off both M&T and Chase, significantly reduce the outstanding balance to ACM and provide \$500,000 in working capital. The term sheet for the SBA 7A loan stated that the loan would come through by September 2014. Although in October Classic received written notice from KCP that the loan was approved, the loan never closed. Subsequently, Classic was forced to sign a bridge loan with a hard money lender called Big Shoulders Capital (BSC) with an effective interest rate of 27.9%. Because of the high debt service costs of the BSC loans, Classic defaulted on the loans with BSC. This eventually led to Classic filing for Chapter 11 in September 2015.

Despite the cash flow problems, between December 31<sup>st</sup>, 2013 and December 31<sup>st</sup> 2015, Classic improved EBITDA by \$1.9 M ending up with an EBITDA of \$375,000. This was accomplished even though there was no money available for marketing subsequent to January 2014. Notwithstanding any of the above and operating in bankruptcy, Classic continued to successfully move the company forward and through May 30, 201

## **MOVING FORWARD**

### **RDL Acquisitions, Inc. (RDL)**

RDL Acquisitions, Inc., was formed by Barbara Schoolman in an effort to preserve the processor company's history and the jobs of its 55 valuable employees.

- RDL will use the same skill sets the predecessor company used to manage expenses and drive EBITDA. With the addition of two new marketing partners and a respectable marketing budget for RDL, the

company will be able to drive up revenues and maximize gross profit. The critical metric that we'll focus on will be Gross Profit \$(Dollars) / Bus Day.

- The new marketing partners have committed to long-term relationships with RDL, at no cost to RDL because we all share the same objectives:
  1. **Rally** ([www.rallybus.net](http://www.rallybus.net)) is a technology company. They do not own buses. The Wall Street Journal identifies Rally as the "Uber of the bus industry". The predecessor companies to RDL have had a relationship with Rally since June 2015. **Rally wishes to significantly increase that relationship by investing at least \$500,000 in direct payments and cooperative marketing initiatives with RDL.** See attached Memo of Understanding (MOU). In addition, to the increase in revenue and gross profit that Rally will add to RDL, Rally will add significantly to the valuation calculation of RDL as an enterprise. Rally, like Uber, is a high tech company that gets valued at 10x of revenue whereas a Motorcoach company in today's market gets values at 4x to 5x trailing EBITDA.
  2. **New York Wine Events** ([www.newyorkwineevents.com](http://www.newyorkwineevents.com)) is the largest and most respected Wine Events organization in the New York Metropolitan Area. By joining forces with RDL, NYWE will be able to significant increase the number of and types of programs that the offer on a year-round basis. There exclusive relationship with RDL, will add significant revenues to RDL and help to establish us as the area's premier wine tour operator. See attached NYWE summary.

## WINE TOURS

- Currently, wine tours are consistently the single most profitable revenue stream the company generates. There are two types of wine tours.
  - **Retail Wine Tours:** A retail wine tour is a transaction where the seats are sold individually or in pairs where the tour date is a pre-planned by RDL.
  - **Group Wine Tours:** In a group wine tour, the group picks their own date and pick-up locations and guarantees a minimum of 35 paying customers.
- The predecessor company has been doing retail wine tours and occasional group wine tours since the spring of 2010. Last year, the predecessor company booked 9,026 reservations for retail wine tours that were sold by six different daily deal websites: Groupon, Gilt City, Living Social, Pulsd, Travelzoo and Feverup. They take a commission between 25% - 33%; with Groupon, the largest vendor, at 33%. It is highly seasonal running between April through Thanksgiving. The average GP/bus day in 2015 was \$1,090 which resulted in nearly \$210,000 of Gross Profit.
- A group wine tour commission is half of a retail wine tour, because of the huge commissions the daily deal websites take. For the last three years, the predecessor company attempted to have marketing relationships to sell group wine tours with a series of different marketing companies, that never produced any significant volume.
- NYWE clearly has the marketing skills, database and experience that will rapidly expand the RDL wine tour business. RDL will split with NYWE the commission that was paid to someone like Groupon, this results in a 25% increase in GP per transaction to RDL. NYWE will add attractive winter wine events,

both retail and group, at select vineyards such as a farm-to-table dinner with unique wine tastings or craft beer tastings. These will be highly profitable transactions at a period of time between Thanksgiving and April when traditional retail wine tours are dead. The vineyards that this has been discussed with are thrilled. This will make wine tours and dinners into a twelve-month season. When NYWE sells a group wine tour, RDL will get a \$1,500/day GP contribution. Rally will also offer retail and group wine tours.

- NYWE and RDL is the ultimate synergistic relationship because NYWE does the marketing and RDL does the operations in an HLL luxury bus. As pointed out in the NYWE information flyer (see attached), the retail and group wine tour business is highly scalable.
- By working with NYWE on both retail and group wine tours, we believe that in the next few years we will be able to grow this segment of our business to a revenue stream of at least a \$3 M per year.

## GROUP CHARTERS

- Charter is the largest revenue stream. The average GP/bus day is \$675. The predecessor company saw a 20% - 25% increase in revenues compared to the previous year for the months of March – June 2016. Attached a list of the charter customer base which will continue into the future. As the economy improves, RDL anticipates that this revenue stream will continue to improve. Although the charter business is competitive the recent closure of 2 of our competitors has relieved some of the pressure in this area.
- The key to our future success in the Group Charter business is our proprietary Charter Simulator. The Charter Simulator allows us to input variable costs like mileage, tolls, parking, etc., and automatically calculates the fixed/variable costs of the charter. As a result, we can quickly and accurately determine a price that ensures the runs profitability that is targeted at \$700/bus day.

## CASINO RUNS

- RDL currently does ten runs per week to Mohegan Sun. Passenger counts are growing slowly and currently up 7% to last year. This run is subsidized by Mohegan Sun with their guaranteed passenger count of 26 per trip. Currently, the growth in passenger counts has reduced the subsidy.
- We anticipate that our partnership with Rally and its expertise in digital marketing will enable us to significantly increase RDL's passenger counts. In addition, with Rally's help, we hope to be able to increase the number of customers who purchase the more profitable overnight ticket
- Lastly RDL will be installing a local representative working on a commission basis to publicize ticket sales within a three-mile radius of each of the fourteen locations that sell the RDL tickets.

## SCHEDULED LINE RUNS

- The predecessor company ran two scheduled line runs: Nassau/Suffolk commuter run (7Bus) and the South Fork Hamptons run (Hampton Luxury Liner).

- RDL will operate The South Fork Hamptons run from Memorial Day to Labor Day. Focusing its marketing dollars on the peak season and maximizing its passenger counts. RDL is looking to its new relationship with Rally to drive customers into available seats.
- Currently the commuter run is positioned as a straight forward alternative to taking the LIRR and competing primarily on price. RDL will re-engineer the 7Bus run, using the HLL reputation for a comfortable quality ride, and discontinue a pricing strategy that tried to compete with the LIRR. RDL is looking to its new relationship with Rally to drive customers tired of the overcrowded, hot LIRR into our available luxury seating.

#### **COLLEGE EXPRESS**

- Currently, the predecessor company has created a profitable business, with very good load factors for New Paltz and Holy Cross students coming and going to and from Long Island for holidays and school breaks. With Rally's help RDL will expand this program to other colleges to the New York Metropolitan area, with an enhanced scheduled stop routes.

#### **SHOP SALES**

- Last year, the predecessor company started doing outside repairs on the buses and trucks of other companies. The building at 1600 Locust is licensed as a NYSDOT inspection station, therefore we can effectively provide services to all other commercial vehicles in the area and convert one of our costs centers into a profit center. The current labor rate is \$105/hour and we look for a 35% GP on parts. That makes us competitive in the industry and with the addition of a moderate amount of work the area can become cash flow neutral. We recently did a complete engine job for \$23,000; the total GP was 64%. RDL will apply some marketing to grow this business.

## PROOF OF SERVICE OF DOCUMENT

I am 18 years old or older and not a party to this bankruptcy case or adversary proceeding. My business address is:

A true and correct copy of the foregoing document entitled: **CHAPTER 11 DISCLOSURE STATEMENT DATED** \_\_\_\_\_, **20**\_\_\_\_ will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) \_\_\_\_\_, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:** On (date) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature