

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

IN RE:
TVR, Inc.
a/k/a Joseph's Restaurant
23...9504[redacted]

CHAPTER 11

CASE NO. 5:16-bk-04183

Debtor in Possession

COMBINED CHAPTER 11 PLAN

AND DISCLOSURE STATEMENT

(Dated June 24, 2017)

PART 1
INTRODUCTION

The Combined Chapter 11 Plan and Disclosure Statement (dated June 24, 2017) in the small business chapter 11 case of TVR, Inc., the Debtor in Possession (the Debtor), provides for the restructuring of the debts of the Debtor. The Plan proposes to pay creditors from cash flow from operations. If confirmed, this Plan will bind all creditors provided for in this Plan, whether or not they file a proof of claim or accept this Plan, and whether or not their claims are allowed. You may be entitled to vote on the Plan, or to object to confirmation of the Plan and Disclosure Statement.

Caution: *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.)*

Effective date: Unless the Court orders otherwise, this Plan becomes effective (Effective Date) on the 15th day following the entry of a nonstayed¹ and non-appealed confirmation order on the

¹ (e) Stay of confirmation order

docket, or, if that is not a business day, then the next business day.² *Exception:* The Plan proponent may waive the condition that the confirmation order not be subject to a pending appeal.

Definitions and rules of construction are as set forth in the Bankruptcy Code (11 U.S.C. Section (Section)101 and following) and in the Federal Rules of Bankruptcy Procedure (FRBP or Rules). See Section 101, 102 and 1101 and Rule 9001. All exhibits to this Plan are considered part of this Plan, but in the event of any conflict between this Plan and its exhibits, the terms of this Plan control.

1.01 Deadlines for Voting and Objecting: Date of Confirmation hearing:

The Court has not yet confirmed the Plan described in the Combined Disclosure Statement and Plan. This Section describes the procedures pursuant to which the disclosures made herein will or will not be approved and the Plan will or will not be confirmed.

1.01.1 *The Time and Place of the Hearing to finally approve this Combined Disclosure Statement and Confirm the Plan.*

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on the below date and time:

United States Bankruptcy Court Courtroom #2, Max Rosenn US Courthouse 197 South Main St. Wilkes-Barre, PA 18701	Date: , 2017 Time: 09:30 AM
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An order confirming a plan is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise. Fed. R. Bankr. P. 3020

²A party may appeal an order confirming the plan. Pursuant to Federal Rule of Bankruptcy Procedure 8002, a party that wishes to appeal an order confirming a plan must file a notice of appeal with the clerk within 14 days of the date of the entry of the order of confirmation. Pursuant to Section 1144, a party-in-interest can request that the court revoke an order of confirmation, after notice and a hearing, if the order was procured by fraud. The request must be made before 180 days after the date of the entry of the order of confirmation. A court may not revoke an order of confirmation after 180 days have passed, even if the fraud was not discovered until after the 180 days had passed.

1.01.2 *Deadline for Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to **TVR, Inc.'s co-counsel** C. Stephen Gurdin, Jr., at 67-69 Public Square STE 501, Wilkes Barre, PA 18701. See PART 5 below for a discussion of voting eligibility requirements.

Your **Ballot must be received by TVR, Inc.'s co-counsel** C. Stephen Gurdin, Jr., on or before _____, or it will not be counted.

1.01.3 *Deadline for Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon TVR, Inc.'s co-counsel C. Stephen Gurdin, Jr., at 67-69 Public Square STE 501 Wilkes Barre, PA 18701, on or before _____

1.01.4 *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact **TVR, Inc.'s co-counsel** C. Stephen Gurdin, Jr., at 67-69 Public Square STE 501, Wilkes Barre, PA 18701, Phone 570-826-0481, Fax 570-822-7780, email Stephen@gurdinlaw.com, and/or **TVR, Inc.'s counsel** John Fisher, Esquire 126 South Main Street, Wilkes Barre, Pa 18640, Phone: 570-569-2154 Fax: 570-569-2167 Email: fisherlawoffice@yahoo.com

1.02 *Date of Hearing on confirmation of Plan and Disclosure.*

A hearing on confirmation of the Plan and Disclosure Statement will be held on _____. 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.)

1.03 *Information regarding precise treatment of claims.*

All creditors should refer to PART 4 of this Plan and Disclosure Statement for information regarding the precise treatment of their claims, and PART 5 for voting instructions. No statements concerning TVR, Inc's assets are authorized other than those set forth herein.

1.04 Purpose of This Document

This Combined Plan and Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- 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, and
- The effect of confirmation of the Plan.

Be sure to read the Plan and Disclosure Statement. It both describes the Plan and constitutes the Plan itself that will, if confirmed, establish your rights.

PART 2

PLAN SUMMARY

Summary of the Plan or Reorganization and Treatment of Claims and Equity Interests

2.01 This Plan provides for the following classes of claims:

- CLASS 1. One class of Secured Claims. These claims will retain their liens, will not be

reduced to the value of the collateral (they will not be bifurcated) and will be treated as full recourse claims. The plan will treat these claims as secured claims only, as filed, as if an election had been made pursuant to 11 U.S.C. Section 1111(b)³ (per F.R.B.P. 3014). These secured claims will be reinstated, the arrearages will be cured while timely current monthly payments will be made to keep the loans current postpetition. The precise treatment of these claims is contained in Part 4 of this combined Disclosure Statement and Plan.

- CLASS 2. Two classes of Unsecured Non-Priority Claims

CLASS 2.A General unsecured claims. If you hold a claim that is not secured, is based on the value of a lease or other executory contract, a damage claim for the rejection or breach of the same, is not the unsecured portion of a bifurcated secured claim and is not entitled to a priority, then you hold a general unsecured claim of Class 2.A. Claim holders of this class of allowed claims will receive distributions, which the proponent of this Plan has **estimated** at approximately five cents on the dollar.

CLASS 2.B. Unsecured Claims resulting from, a secured claim that is bifurcated. The value of the allowed unsecured portion of the claim is **estimated** as the value of the continuing contractual claim during the plan term, plus the arrearage on the loan attributable to such claim, plus such penalties, interest, costs and fees, as are provided by the contract documents. The unsecured portion of a bifurcated secured claim will be treated as full recourse, unless the property that is

³ Unless otherwise noted, all future statutory references are to the Bankruptcy Code, 11 U.S.C. Section 101, et seq., as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, Pub. L. No. 109-8, 119 Stat. 37 ("BAPCPA").

collateral for the secured portion of the claim is sold under Section 363 or is to be sold under the plan. The precise treatment of the claim is contained in Part 4 of this combined Disclosure Statement and Plan.

CLASS 3. One class of equity security holders. Holders of these interests will surrender their securities. All of their equity interests will be cancelled upon the effective date of the confirmed plan. Upon cancellation, new stock equal to the pre-petition stock will be issued to the new equity owner in exchange for new value in the sum of \$2,000.00.

- UNCLASSIFIED CLAIMS. This Plan also provides for the payment of administrative and priority claims totaling \$15,920.50 (of which \$12,000.00 is estimated and has not yet been approved) as follows:
 1. Administrative Claim of Internal Revenue Service: 1,233.00⁴
 2. Administrative Claim of John Fisher counsel to Debtor for professional fees approved upon application \$2,000.00⁵
 3. Administrative Claim of Joseph C. Flynn II, C.P.A for fees approved on application \$4,687.50⁶
 4. Administrative Claim, estimated, of C. Stephen Gurdin, Jr., not yet filed based on estimated fees not yet approved \$8000.00.⁷

⁴ This claim will be paid in full on or before the effective date of Plan Confirmation.

⁵ By agreement between Debtor and the Accountant, this claim will be paid in full in monthly installments on or after the Order approving the application for fees entered on March 16, 2017. Payment in full may not occur on or before the effective date of Plan Confirmation, and may be in installments that differ in timing and amount.

⁶ By Agreement between Debtor and Counsel to Debtor, this claim will be paid in full in monthly installments on or after the Order approving the application for fees entered on March 16, 2017. Payment in full may not occur on or before the effective date of Plan Confirmation, and may be in installments that differ in timing and amount.

An estimated percentage differs from a fixed percentage and an actual percentage. If a percentage is estimated it may differ from the actual percentage. The actual percentage may be higher or lower depending on the total funds available and the total allowed claims. If administrative, secured and or priority claims are larger than expected then the percentage paid to general unsecured claims will be lower. The estimate is calculated by taking the total estimated funds available for the class and dividing it by the sum of all estimated allowed claims.

A percentage is fixed if the Plan commits to pay the percentage regardless of future revenues, expenses or the total allowed claims. If the percentage is fixed and the Debtor is unable to pay this percentage then that will be a default under the plan.

All creditors and equity security holders should refer to Parts 4 through 5 of this Combined Plan and Disclosure Statement for information regarding the precise treatment of their claim. No statements concerning TVR, Inc., are authorized other than those set forth herein.

2.02 DISCLAIMER

The Court has conditionally approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. [The Court's approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan. Objections to the adequacy of this Disclosure Statement may be filed until _____2017.]

⁷ By Agreement between Debtor and Counsel to Debtor, this claim will be paid in full in monthly installments on or after an Order approving an application for fees. Payment in full may not occur on or before the effective date of Plan Confirmation, and may be in installments that differ in timing and amount.

PART 3
BACKGROUND

3.01 Description and history of the Debtor's Business.

TVR, Inc. is a corporation doing business as Joseph's Restaurant in Peckville, Lackawanna County Pennsylvania. It has successfully operated a restaurant for approximately thirty years beginning in 1984. Due to an illness of the sole shareholder, Phillip Colosimo, which kept him from working for eighteen months, a replacement chef, William Genovese, was hired. During the tenure of this individual, both the gross sales and the profitability of the business declined sharply. Mortgage and secured business loans fell into arrears, taxes went unpaid, as did obligations to commercial suppliers. The sole shareholder has regained his health and returned to the business. Since that time, both gross sales and profitability have increased sharply, as evidenced by the steady increases shown in the monthly operating reports.

3.02 Insiders of the Debtor will have the meaning as defined in 11 U.S.C. 101(31).

3.02.1 Phillip Colosimo(Colosimo) is the shareholder holding all of the shares of Common Stock of TVR, Inc. No other class of shares or other equity securities have been issued.

3.02.2 During the two years prior to the instant bankruptcy filing Colosimo has received gross compensation totaling \$69,031.00.

3.02.3 Since the filing of the instant bankruptcy, Colosimo has received gross compensation totaling \$11,300.00.

3.03 Management of the Debtor Before and During the Bankruptcy.

3.03.1 During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the "Managers") were Colosimo, and William Genovese.

3.03.2 The Manager of the Debtor during the Debtor's chapter 11 case has been: Colosimo

3.03.3 After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will be: Colosimo. The responsibilities and compensation of these Post Confirmation Managers are described in PART 4, Paragraph 4.08 of this Disclosure Statement.

3.04 Events Leading to Chapter 11 Filing.

Due to an illness of Colosimo, which kept him from working for eighteen months, a replacement chef was hired. During the tenure of this individual both the gross sales and the profitability of the business declined sharply.

3.05 Significant Events During the Bankruptcy Case.

- There have been no asset sales outside of the ordinary course of business, debtor in possession financing, or cash collateral orders.
- The following professionals have been approved by the Court:

John Fisher, Esquire counsel to Debtor in Possession,
126 South Main Street, Wilkes Barre, PA
18640,
Phone: 570-569-2154
Fax: 570-569-2167
Email: fisherlawoffice@yahoo.com

C. Stephen Gurdin, Jr., Esquire, co-counsel to Debtor in Possession,
67-69 Public Square STE 501
Wilkes Barre, PA 18701-2512
Phone: 570-826-0481
Fax: 570-822-7780
Email: Stephen@gurdinlaw.com

Joseph C. Flynn, II, CP8. Accountant to Debtor in Possession.

16 Goldsmith Rd.
 Dallas, PA 18612
 Phone: 570-239-2195, 570-675-6220

- No adversary proceedings, significant litigation or contested claim disallowance proceedings have been filed, and there are no other significant legal or administrative proceedings that are pending or have been pending during the case in a forum other than this Court. All pre-filing litigations have been stayed in bankruptcy.
- The Debtor has resumed profitable operations under the guidance of Colosimo. The temporary chef hired during Colosimo's illness is no longer employed.
- There are no other significant events to report.

3.06 Projected Recovery of Avoidable Transfers.

The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

3.07 Allowance and Disallowance of Claims

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 your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld.

3.07.1 Disputed Claim. 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 unliquidated.

3.07.2 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim, unless such claim is allowed by a final non-appealable order.

3.07.3 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.

3.08. Current and Historical Financial Conditions

3.08.1 The fair market value of the estate's assets is listed in Exhibit "A". The source and basis of the valuation is a detailed appraisal attached as this Exhibit "A".

3.08.2 The Debtor's most recent financial statements issued before bankruptcy, each of which was filed with the Court, are set forth in Exhibit "B".

3.08.3 The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case is set forth in Exhibit "C". A summary of the Debtor's periodic operating reports filed since the commencement of the Debtor's bankruptcy case is also set forth in Exhibit "C".

PART 4

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

4.01 Purpose.

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan. Claims are classified below (except for administrative priority claims) for all purposes, including voting, confirmation and distributions pursuant to this Plan. A claim is classified in a particular class only to the extent the claim qualifies within the description of the class and is classified in a different

class to the extent that any remainder of the claim qualifies within the description of such different class. A claim is in a particular class only to the extent that the claim is an allowed claim pursuant to Bankruptcy Code Section 502 and has not been paid, released or otherwise satisfied before the Effective Date of the Plan. The following is a summary of the treatment of each class proposed under this Plan:

4.02 Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has not placed the following claims in any class:

4.02.1 Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under Section 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

Administrative claims are not impaired and holders of these claims are not entitled to vote.

<u>Type</u>	<u>Estimated Amount Owed \$</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date	0.00	Paid in full on the effective date of the Plan or according to terms of obligation, if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	0.00	Paid in full on the effective date of the Plan or according to terms of obligation, if later
Clerk's Office Fees	0.00	Paid in full on the effective date of the Plan
Other Administrative Expenses: Amended claim No. 4.1	\$1233.00	Paid in full on the effective date of the Plan or according to separate written agreement.

Administrative claim of the Department of Treasury/Internal Revenue Code		
Other Administrative Expenses Allowed: Compensation to Joseph C. Flynn II Accountant to Debtor, in the sum of \$4687.50 pursuant to Section 330(a), approved by Court order dated March 16, 2017	\$4687.50	Shall be treated as a claim pursuant to Section 501, and upon approval by Court Order Dated March 16, 2017, shall constitute an allowed claim pursuant to Section 502 and a request for and an allowance of administrative expense pursuant to Section 503. By agreement between Debtor and the Accountant, this claim will be paid in full in monthly installments on or after the Order approving the application for fees on March 16, 2017. Payment in full may not occur on or before the effective date of Plan Confirmation. The payments may vary in timing and amount.
Other Administrative Expenses Allowed: Compensation to John Fisher, counsel to Debtor for fees approved upon application \$2000.00	\$2000.00	Shall be treated as a claim pursuant to Section 501, and upon approval by Court Order Dated March 16, 2017, shall constitute an allowed claim pursuant to Section 502 of the Bankruptcy Code, and a request for and an allowance of administrative expense pursuant to Section 503 of the Bankruptcy Code. By agreement between Debtor and the Attorney, this claim will be paid in full in monthly installments on or after the Order approving the application for fees on March 16, 2017. Payment in full may not occur on or before the effective date of Plan Confirmation. The payments may vary in timing and

		amount.	
<p>Other Administrative Expenses</p> <p>Allowed: Compensation to C. Stephen Gurdin, Jr., co-counsel to Debtor for fees estimated \$12000.00</p>		<p>No application has been filed as of the date hereof. Such application shall be treated as a claim pursuant to Section 501, and upon approval by Court Order shall constitute an allowed claim pursuant to Section 502 of the Bankruptcy Code, and a request for and an allowance of administrative expense pursuant to Section 503 of the Bankruptcy Code. By agreement between Debtor and the Attorney, this claim will be paid in full in monthly installments on or after the Order approving the application for fees. Payment in full may not occur on or before the effective date of Plan Confirmation. The payments may vary in timing and amount.</p>	
<table border="1"> <tr> <td>Office of the U.S. Trustee Fees</td> </tr> </table>	Office of the U.S. Trustee Fees	0.00	<p>All fees required to be paid by 28 U.S.C. Section 1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.</p>
Office of the U.S. Trustee Fees			

4.03 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

Section 506 of the Code. 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, unless the creditor elects under 11 U.S.C. 1111(b)(2) to treat the claim as wholly secured.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan: Allowed claims of this class will retain their liens. The loans will be brought current. Current post-petition regular monthly payments will be made to keep the loans current post petition. These claims are impaired and will be entitled to vote

Class	Description	Proposed Treatment	Insider (yes)(no)	Impaired	Entitled to Vote
CLASS 1 Secured claims	Amended Claim No. 2 of First National Security Bank of Pennsylvania in the sum of \$613,362.20	Allowed claims of this class will retain their liens; the loan will be brought current by monthly payments which may vary in amount and timing. Current Regular timely monthly payments will be made going forward to keep the loan current postpetition. \$78,254.09 will be paid on this claim in Monthly payments estimated to average \$1864.00. These payments may vary in amount and timing. It is estimated that these payments will begin on or before eighteen (18) months from the effective date of plan confirmation. Payments will end when the sum of \$78,254.09 has been paid, plus continuing interest and any incidental charges due provided by the contract documents. Interest	no	yes	yes

		rate will vary in accordance with the contract documents. Interest was 8.6% on petition filing date.			
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Class	Description	Proposed Treatment	Insider (yes)(no)	Impaired	Entitled to Vote
Class 1 Secured claims	Amended Claim No. 1 of First National Security Bank of Pennsylvania in the sum of \$88,211.50	Allowed claims of this class will retain their liens. \$15,695.35 will be paid on this claim in Monthly payments estimated to average \$374.00; These payments may vary in amount and timing. It is estimated that these payments will begin on or before eighteen (18) months from the effective date of plan confirmation. Payments will end when the sum of \$15,695.35 plus continuing interest and any incidental charges due provided by the contract documents. Interest rate will vary in accordance with the contract documents. Interest was 8.6% on petition filing date.	No	Yes	yes

4.04 Unsecured Non-Priority Claims

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

The following chart identifies the Plan's proposed treatment of Classes 2A through 2B, which contain general unsecured claims against the Debtor:

4.04.1 Class 2A General Unsecured Claims

Class	Description	Insider (yes)(no)	Impaired (yes)(no) Proposed Treatment	Impaired	Entitled to Vote
CLASS 2A	General Unsecured Claims Claim of Marlin Business Bank \$15,741.64 which sum includes residual, late charges, sales Tax and unpaid insurance fees. This claim is based on an executory contract.	no	This claim arises from an executory contract which is rejected by this plan. Debtor has or may file an objection to this claim based upon the rejection. Debtor estimates that Allowed Claims of this class will receive Debtor estimates that holders of Claims of this Class Debtor will receive 5% of their claims to the extent that such claims are dully allowed, in quarterly installments beginning on or before the end of the first quarter following the effective date of the confirmed Plan or the date upon which any such claim is allowed by a final non-appealable order, and ending 68 months thereafter. Debtor reserves the right to prepay this claim, as above provided herein, without penalty. The property will be surrendered to the claimant upon the effective date of the confirmed plan or by such prior agreement as may be reached with such claimants.	yes	yes

4.02.2 Class 2B Unsecured Claims resulting from bifurcated secured claims.

Class	Description	Insider (yes)(no)	Proposed Treatment	Impaired	Entitled to Vote

CLASS 2B	Unsecured Claims resulting from a bifurcated secured claim	no	[no claims of this class have been filed to date] The loan will be brought current by monthly payments which may vary in amount and timing. The claim is impaired. Current Regular timely monthly payments will be made going forward to keep the loan current postpetition.	n/a	n/a

4.03 Class 3, Classes of Equity Security Holders

Class	Description	Treatment	Impaired	Entitled to Vote
CLASS 3	Equity Security Holders	All Interests will be cancelled as of the Effective Date of the Plan. Upon cancelation, new stock equal to the pre-petition stock will issue to the New Equity Owner in exchange for new value in the sum of \$2,000.00.	yes	yes

4.04 Certain Actions Restrained

Certain actions are restrained (See Part 6 Paragraph E.). Secured Creditors of Class 1 and other parties in interest may not take any action to enforce preconfirmation obligations or any obligations due under this Plan so long as Debtor is not in material default under this Plan (as defined Part 6, Paragraph 6.11.) and is making current monthly payments on each secured claim during the plan term, and remains current postpetition.

4.05 Disputes Regarding Classification of Claims.

Disputes regarding proper classification of claims not specifically classified in this Plan shall be resolved pursuant to the procedures established by the Bankruptcy Code, other applicable law and procedures and this Plan; resolution of such disputes shall not be a condition to the confirmation or consummation of this Plan

4.06 Disputed Claims or Interests

A claim or interest is Disputed if an objection has been filed against it, or it is not listed on Debtor's bankruptcy schedules, or it is listed as disputed, contingent, or unliquidated, and no proof of claim or interest has been filed(502(a), 1111(a)). A claim or interest ceases to be Disputed once it is allowed by a final non-appealable order.

4.07 Means of implementing the Plan

4.07.1. Source of Payments and Disbursing Agent

Payments and distributions under the Plan will be funded by the operations of the Debtor's business. The Disbursing Agent shall be the Debtor, who shall serve without bond or compensation but shall be entitled to reimbursement of reasonable expenses by applying to the court no more frequently than once every four months.

4.07.2. Corporate Charter (as required by Section 1123(a)(6))

Debtor's corporate charter has been amended to include a provision prohibiting the issuance of nonvoting equity securities and providing an appropriate distribution of voting power among any classes of securities (as required by Section 1123(a)(6)). The precise amendments to the corporate charter are attached Exhibit "G".

4.08 Post-confirmation Management (as required by Section 1129(a)(5))

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations*	Insider (yes or no)	Position	Annual Compensation
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				gross
Phillip Colosimo	Shareholder	Yes	General Manager	\$39,600.00

4.09 Risk Factors

The proposed Plan has the following risks:

The Plan proposes payments over a period of 5 years. There are risks inherent in doing business and such risks are always present in a Plan dependent upon a future stream of income. The risks include the probability of loss inherent in any organization's operations and environment, such as competition and adverse economic conditions, that may impair its ability to provide returns on investment. Although the Plan has minimized these risks by eliminating unnecessary expenses and maximizing its potential for profitability, there is no guarantee against the restaurant business in the Debtor's location suffering further constriction, thereby limiting the future income stream of Debtor restaurant.

The success of the Debtor is dependent to a great extent upon the continued health of Colosimo. He has regained his health, and the patrons lost during his absence are returning. The restaurant business of the Debtor is also subject an elastic demand. During periods of prosperity and economic growth, as have been recently experienced, profits increase. During periods of significant economic decline, profits generally decline as well. The costs of necessary supplies and services fluctuate as do consumer preferences. Success in the Debtor's business requires constant adjustment. In this business, the phrase "we have to change in order to remain the same"⁸ has true meaning. It is the

⁸ The Leopard (Italian: *Il Gattopardo*) is a novel that chronicles the changes in Sicilian life and society during World War II. It became the top-selling novel in Italian history. In the story the Prince of Lampedusa is forced to choose between upholding the continuity of upper class values and breaking tradition to secure continuity of his family's influence ("everything needs to change, so everything can stay the same").

ability to constantly adjust that is the greatest factor in success as well as in failure.

4.10 Executory Contracts and Unexpired Leases

Exhibit "D" lists all executory contracts and unexpired leases that the Debtor will assume. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. Exhibit "D" also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Exhibit "D" will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

[The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract Is . 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.]

4.11 Tax Consequences of Plan

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES.

ACCORDINGLY, HOLDERS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

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

The following are the anticipated tax consequences of the Plan:

4.11.1 Federal Income Tax Consequences to the Debtor of the Plan;

The Debtor may realize cancellation of debt income to the extent of any debt forgiveness. To the extent there is cancellation of debt income, the same will reduce the Federal tax attributes of the Debtor's operating loss carry-forwards and the tax bases of their assets; if cancellation of debt income exceeds these attributes, it will be exempt from tax. As of October 7, 2016, the Debtor had no federal net operating loss carry forwards. Pursuant to the Plan, all the Debtor's remaining assets other than those sold or abandoned prior to the Effective Date will remain with the Debtor.

It is believed that the Debtor's retention of its assets pursuant to the Plan will not constitute a taxable disposition of such assets. It is not known at the present time whether the retention of the Debtor's assets will result in any gain to the Debtor. If such a retention results in gain, it is not known at the present time whether the Debtor will have sufficient losses or loss carry forwards to offset that gain. If the retention results in gain and the Debtor does not have losses or loss carry forwards to offset that gain, the retention of such assets will result in federal income tax liability.

4.11.2. Federal Income Tax Consequences to Holders of Claims and Interests

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PLAN AND

THE OWNERSHIP AND DISPOSITION OF PROCEEDS FROM CLAIMS INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN (NON-US) TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

The following discussion addresses certain United States Federal income tax consequences of the consummation of the Plan. This discussion is based upon the United States Tax Code, as amended, existing and proposed regulations thereunder, current administrative rulings, and judicial decisions as in effect on the date hereof, all of which are subject to change, possibly retroactively. No rulings or determinations by the Internal Revenue Service have been obtained or sought by the Plan Proponent with respect to the Plan. An opinion of counsel has not been obtained with respect to the tax aspects of the Plan. This discussion does not purport to address the federal income tax consequences of the Plan to particular classes of taxpayers (such as foreign persons, S corporations, mutual funds, small business investment companies, regulated investment companies, broker-dealers, insurance companies, tax-exempt organizations and financial institutions) or the state, local or foreign income and other tax consequences of the Plan.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED TO OR WRITTEN TO BE USED, AND CANNOT BE USED, BY SUCH HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE PLAN; AND (C) SUCH HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A Holder of an Allowed Claim or Equity Interest will generally recognize ordinary income to the extent that the amount of cash or property received (or to be received) under the Plan is attributable to interest that accrued on a claim but was not previously paid by the Debtor or included in income by the Holder of the allowed claim or interest. A Holder of an Allowed Claim or Equity Interest will generally recognize gain or loss equal to the difference between the Holder's adjusted basis in its claim

and the amount realized by the Holder upon consummation of the Plan that is not attributable to accrued but unpaid interest. The amount realized will equal the sum of cash and the fair market value of other consideration received (or to be received). The character of any gain or loss that is recognized will depend upon a number of factors, including the status of the Holder, the nature of the Claim or Equity Interest in its hands, whether the Claim was purchased at a discount, whether and to what extent the Holder has previously claimed a bad debt deduction with respect to the Claim, and the Holder's holding period of the Claim or Equity Interest. If the Claim or Equity Interest in the Holder's hands is a capital asset, the gain or loss realized will generally be characterized as a capital gain or loss. Such gain or loss will constitute long-term capital gain or loss if the Holder held such Claim or Equity Interest for longer than one year or short-term capital gain or loss if the Holder held such Claim or Equity Interest for one year or less. If the Holder realizes a capital loss, the Holder's deduction of the loss may be subject to limitation. A Holder of an Allowed Claim or Equity Interest who receives, in respect of its claim, an amount that is less than its tax basis in such claim or equity interest may be entitled to a bad debt deduction under Section 166(a) of the Tax Code or a worthless securities deduction under Section 165(g) of the Tax Code. The rules governing the character, timing, and amount of these deductions depend upon the facts and circumstances of the Holder, the obligor, and the instrument with respect to which a deduction is claimed. Accordingly, Holders are urged to consult their tax advisors with respect to their ability to take such a deduction if either: (1) the Holder is a corporation; or (2) the Claim or Equity Interest constituted (a) a debt created or acquired (as the case may be) in connection with a trade or business of the Holder or (b) a debt the loss from the worthlessness of which is incurred in the Holder's trade or business. A Holder that has previously recognized a loss or deduction in respect of its claim or equity interest may be required to include in its gross income (as ordinary income) any amounts received under the Plan to the extent such amounts exceed the Holder's adjusted basis in such Claim or Equity Interest.

Holders of Claims who were not previously required to include any accrued but unpaid interest in their gross income on a Claim may be treated as receiving taxable

interest income, to the extent any consideration they receive under the Plan is allocable to such interest. Holders previously required to include in their gross income any accrued but unpaid interest on a claim may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plan. Under the Plan, to the extent that any Allowed Claim entitled to a Distribution is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for federal income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the Distribution exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

A Holder of a Claim constituting any installment obligation for tax purposes may be required to currently recognize any gain remaining with respect to such obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of Section 453b of the Tax Code.

Whether the Holder of Claims or Equity Interests will recognize a loss, a deduction for worthless securities or any other tax treatment will depend upon facts and circumstances that are specific to the nature of the Holder and its Claims or Equity Interests. Accordingly, Holders of Claims and Equity Interests should consult their own tax advisors.

Under backup withholding rules, a Holder of an Allowed Claim may be subject to backup withholding with respect to payments made pursuant to the Plan, unless such Holder (i) is a corporation or is otherwise exempt from backup withholding and, when required, demonstrates this fact or (ii) provides a correct taxpayer identification and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding, because of failure to report all dividend and interest income. Any amount withheld under these rules will be credited against the Holder's federal income tax liability. Holders of Claims may be required to establish an exemption from backup withholding or to make arrangements with regard to payment thereof.

PART 5

CONFIRMATION REQUIREMENTS AND PROCEDURES

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

5.01. 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.

In this case, the Plan Proponent believes that some classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that some classes are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

5.01.1. *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 Debtors 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, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes

pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

**The deadline for filing a proof of claim in this case was .
[If applicable - The deadline for filing objections to
claims is_____.]**

5.01.2. *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 Section 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

5.01.3. *Who is **Not** Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- 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.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to Section 507(a)(2), (a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- 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 [and to the Adequacy of the Disclosure Statement].

5.01.4. *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.

5.02 **Votes Necessary to Confirm the Plan**

If impaired classes exist, 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 a cram down on non-accepting classes, as discussed later in Section [5.02.2].

5.02.1 *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 (1/2) 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 (2/3) 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 (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

5.02.2 *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 Section 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a cramdown 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 Section 1129(a)(8) of the Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

The "fair and equitable" test generally prohibits old equity holders from receiving or retaining property under a chapter 11 plan on account of their prior interests if (i) a senior class of unsecured claims rejects the plan, and (ii) the members of that senior class receive less than full payment on their claims. This is typically referred to as the "Absolute Priority Rule". However, there is an exception to the Absolute Priority Rule pursuant to which equity holders might retain/obtain interests in the

reorganized debtor in return for contributing "new value" toward the reorganization effort. This is typically referred to as the "New Value Exception". Under the New Value Exception, an old equity holder may obtain or retain an interest in the reorganized debtor if he contributes new capital in money or money's worth reasonably equivalent to the property's value and necessary for successful reorganization. Only the Court can determine if a New Value Exception exists.

In this case, the Plan allows the Class 3 Equity Holder to receive new stock in the Debtor in exchange for \$2,000.00 (the "New Stock"). The Class 3 Equity Holder's Interest is junior to Class 2A General Unsecured Claims. Accordingly, in order for the Plan to be confirmed without violating the Absolute Priority Rule, the Debtor must (1) secure sufficient votes from Class 2A General Unsecured Claims to cause them to accept the plan, or (2) the Debtor must demonstrate that the Class 3 Equity Holder is contributing new capital in money or money's worth reasonably equivalent to the value of the New Stock, and that it is necessary for a successful reorganization.

If the Debtor in this case does not obtain sufficient votes from the Class 2A General Unsecured Claims to cause them to accept the Plan, the Debtor will demonstrate that the money offered for purchase of the New Stock is reasonably equivalent to its value, and that it is necessary for a successful reorganization. Such additional funds may be considered new value.

The money offered in exchange for the New Stock is necessary for the successful reorganization of the Debtor because it will facilitate the continued operations of the business, which will fund the Plan. The money offered in exchange for the New Stock will facilitate the continued operations of the business, because the business will likely fail without the continued involvement of the old equity owner, and the old equity owner will have no incentive to continue operating the business, unless he has a stake in the equity. If the business does not continue to operate, then there will be no future revenue or income to fund the Plan. The Debtor estimates that \$114,000.00 from the future revenues and income of the Debtor will be used to fund the Plan. These funds are critical to the successful reorganization of the Debtor.

Accordingly, the money offered in exchange for the New Stock is necessary for the successful reorganization of the Debtor.

Alternatively, in the event that the Debtor does not receive sufficient votes from the Class 3 General Unsecured Creditors, the Debtor may file an Amended Plan or provide a further analysis so as to cause unsecured creditors to vote in favor of the Plan. Such Amended Plan or further analysis will incorporate the Valuation Report and its finding of value. The Amended Plan or further analysis will demonstrate that the money or money's worth offered will be necessary for the successful reorganization of the Debtor.

Notwithstanding the foregoing, the Debtor believes that the current offer to the unsecured creditors made in the Plan is realistic based upon its liquidation values and based upon its cash flow. The Debtor believes that the new value exception is met because the contribution is necessary to the reorganization, it was in cash, and it was reasonably equivalent to the interest being retained. Here the Debtor has no equity in its real property or its business inventory, furnishings, machinery and equipment or fixtures. He receives no interest of any real value in exchange for his substantial monetary contribution.¹

With respect to the secured creditors in this case, the cram down provisions of Section 1129(b) of the Code could be utilized to cause confirmation of the Plan. Each secured creditor is, under the terms of the Plan, retaining its respective lien securing its Claim until paid the amount proposed to it under the Plan, and is receiving on account of such secured Claim, payments totaling at least the allowed amount of the arrearage on the secured claim in order to cure the default in accordance with Section 1124(2). These payments are of a value equal to the amount necessary to comply with Section 1124(2) for each respective creditor. The secured creditor is contained in Class 1. The issues that might affect confirmation as to this creditor might be a determination as to the value of the secured creditor's secured Claim and the terms of repayment thereof, including interest rates and the time for payment.

The Debtor, nonetheless, believes that the Plan does meet the requirements of Section 1129(b) as to the secured

creditors. Thus, the Plan can be confirmed even if the secured Claim accepts the Plan so long as one impaired class of Claims does accept the Plan as set forth above.

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.

5.03 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. A liquidation analysis is attached to this Disclosure Statement as Exhibit E.

5.04 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.

5.04.1 Ability to Initially Fund Plan

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit F.

5.04.2 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.

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit B Schedule 2.

The Plan Proponent's financial projections show that for the 68-month term of the Plan, the Debtor will have an aggregate average monthly cash flow of \$2586.03 and an average annual cash flow, after paying operating expenses and post-confirmation taxes, of \$31032.36 which figures demonstrate the ability to fund the plan. The final Plan payment is expected to be made in August of 2023.

A summary of the numerical projections, high lighting assumptions made, is attached as Exhibit "B Schedule 3".

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

Summary of numerical projections and discussion of assumptions that are not in accord with past experience.

Debtor's monthly projected gross sales, expenses and profits have repeatedly underestimated both gross sales and profits. Current projected income, expense and profits is based on the increases in these items to date, beginning with the return of Colosimo, and the departure of William Genovese. These projections take into account the cyclical nature of Debtor's business, and the impact of decreases in cost, revitalized menu, and close attention to purchase of inventory both as to quality and price, as well as market trends. These projections take into account both the increases that have outperformed projections and the usual tapering of demand, following such significant changes.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

PART 6

EFFECT OF CONFIRMATION OF PLAN

6.01 BINDING EFFECT

Pursuant to Section 1141(a) and except as provided in Section 1141(d)(2) and (d)(3), the provisions of the confirmed Chapter 11 Plan bind the Debtor, any entity issuing securities under the plan, any entity acquiring property under the plan,

and any creditor, equity security holder, or general partner in the debtor, whether or not the creditor, equity security holder, or general partner has accepted the plan. Once an order is entered confirming a plan, it is a final binding order accorded *res judicata* and *collateral estoppel* effect. It determines the rights and liabilities of the parties to the plan and binds all parties in interest, whether or not they have chosen to appear in the case. The rights and obligations of any entity named or referred to in this Plan shall be binding upon and shall inure to the benefit of the successors and assigns of such entity.

6.02 THE PLAN CREATES NEW OBLIGATIONS

Except as otherwise provided in this Plan, (1) the payment terms promised in this Plan constitute new contractual obligations that replace any payment terms that existed prior to the Effective Date, and (2) all rights and obligations *other than* those new payment terms continue to apply. For example, (1) this Plan does not modify any obligations to insure collateral, and (2) if the Plan only addresses arrears for a particular claim, then the regular payments will be made as they come due based on the contractual provisions of the contract documents not inconsistent with the treatment afforded the claim under this plan. Except with respect to curing the arrearages, the Plan does not alter the legal equitable, or contractual rights of the holder of that claim (unless otherwise provided with respect to a specific claim or Class of claims).

6.03 DISCHARGE OF DEBTOR

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 Section 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in 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 Section 1141(d)(6)(B).

6.04 INJUNCTION

Except as otherwise expressly provided in the Plan, the Confirmation Order will provide that all Persons who

have held, hold or may hold Claims are, with respect to any such Claim, permanently enjoined on and after the Effective Date from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting the Estate or any of the Estate's Property; (b) enforcing, levying, attaching (including, without limitation, any pre judgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Estate or any of the Estate's Property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Estate or any of the Estate's Property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the Estate or any of the Estate's Property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; and (e) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

6.05 Limitation of Liability.

The Debtor, together with its advisors, accountants, attorneys and representatives (collectively, the "Exculpated Parties"), will neither have nor incur and are hereby released from any liability for any action taken or omitted to be taken after the Petition Date in connection with or related to the Bankruptcy Case or the formulation, preparation, dissemination, implementation, Confirmation or consummation of this Plan, the Disclosure Statement, or any agreement created or entered into in connection with this Plan; provided, however, that this limitation will not affect or modify the obligations created under this Plan, or the rights

of any Holder of an Allowed Claim to enforce its rights under this Plan and shall not release any action (or inaction) constituting willful misconduct or fraud (in each case subject to determination of such by final order of a court of competent jurisdiction); provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under this Plan and such reasonable reliance shall form an absolute defense to any such claim, cause of action, or liability. Without limiting the generality of the foregoing, each Exculpated Party shall be entitled to and granted the protections of Section 112.5(e) of the Bankruptcy Code.

6.06 CONTINUATION OF INJUNCTIONS AND STAYS

Unless otherwise provided, all injunctions or stays: (a) ordered in the Chapter 11 Case pursuant to Sections 105(a) or 362 of the Bankruptcy Code or otherwise, and (b) in existence on the Confirmation Date, shall remain in full force and effect until the Chapter 11 case is closed.

6.07 MODIFICATION OF PLAN

6.07.1 Pre-Confirmation Amendment. The Debtor may modify its Plan at any time prior to the entry of the Confirmation Order provided that the Plan, as modified, and the Disclosure Statement pertaining thereto, meet applicable Bankruptcy Code requirements.

6.07.2 Post-Confirmation Amendment Not Requiring Re-Solicitation. After the Confirmation Date and before substantial consummation of the Plan as defined in Section 1101(2) of the Bankruptcy Code, the Debtor may modify its Plan to remedy any defect or omission would reconcile any inconsistencies in the Plan or in the Confirmation Order, as may be necessary to carry out the purpose and effect of the Plan, provided that: (i) the Plan, as modified, meets applicable Bankruptcy Code requirements; (ii) the Debtor obtains approval of the Bankruptcy Court for such modification, after notice and a hearing; and (iii) such modification shall not materially and adversely affect the interests, rights or treatment of any Class of Allowed

Claims under the Plan.

6.07.3 Post-Confirmation/Pre-Consummation Amendment Requiring Re-solicitation. After the Confirmation Date and before substantial consummation of the Plan, as defined in Section 1101(2) of the Bankruptcy Code, the Debtor may modify its Plan in a way that materially adversely affects the interests, rights or treatment of a Class of Claims provided that: (i) the Plan, as modified, meets applicable Bankruptcy Code requirements; (ii) the Debtor obtains Bankruptcy Court approval for such modification, after notice and hearing; (iii) such modification is accepted by at least two-thirds in amount, and more than one-half in number, of the Allowed Claims voting in such Class; and (iv) the Debtor complies with Section 1125 of the Bankruptcy Code with respect to the Plan as modified.

6.08 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.

6.09 VESTING OF PROPERTY.

All property of the bankrupt estate will vest in the reorganized Debtor pursuant to Section 1141(b) &(c) free and clear of all claims and interests except as otherwise provided in this Plan, upon the effective date of the confirmed plan or the entry of a decree closing the case, which ever shall first occur.

6.10 CREDITOR ACTION RESTRAINED.

The confirmed Plan is binding on every creditor whose claims are provided for in this Plan, and a creditor may not take any action to enforce any pre-confirmation obligation except as provided in this Plan.

6.11 MATERIAL DEFAULT.

If Debtor (1) fails to make any Payment required under this Plan, or (2) fails to perform any other obligation required

under this Plan for more than 14 days after the time specified in this Plan, or (3) performs any act that is inconsistent with the terms of this Plan, then any affected creditor, interest holder, or other party in interest may file and serve upon Debtor and Debtor's attorney (if any) a written notice of default at their most recent address(es) listed in this case. Debtor is in material default under this Plan if Debtor fails within 21 days after service of that notice of default, plus an additional 3 days if served by mail, either to cure the default or obtain from the court an extension of time to cure the default or a determination that no material default occurred. Notwithstanding the other provisions of this paragraph, to the extent that Debtor has assumed an executory contract or unexpired lease, or to the extent that a creditor retains a lien under this Plan that was a consensual lien, the default provisions of that contract, lease, or lien documentation govern what constitutes a default for purposes of the rights and remedies thereunder, all subject to applicable non-bankruptcy law and any exceptions set forth in this Plan.

6.12 EFFECT OF CONVERSION TO CHAPTER 7.

If the case is at any time converted to one under Chapter 7: (i) all property of the estate as of the date of conversion, whether acquired pre-confirmation or post-confirmation, shall vest in the Chapter 7 bankruptcy estate; and (ii) all creditors, whether their claims arose pre-confirmation or post-confirmation, shall be prohibited from taking action against the Chapter 7 bankruptcy estate or property of the estate by Bankruptcy Code Section 362(a).

6.13 DISTRIBUTION PROVISIONS

6.13.1 Amendment of Claims. A claim may be amended prior to the Confirmation Date only as agreed upon by the Debtor and the holder of such Claim or as otherwise permitted by the Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules, or applicable law. After the Confirmation date, a Claim may be amended to decrease, but not increase, the amount thereof.

6.13.2 Transmittal of Distributed Property. Except as may otherwise be agreed to by the holder of a particular Claim, any property to which such holder shall become

entitled under the provisions of this Plan, shall be delivered to such holder by regular mail, postage prepaid, in an envelope addressed to such holder as he or his authorized agent may direct in a request filed on or before the Effective Date with the Bankruptcy Court, but if no such request is filed, to the address shown on the Debtor's Schedules, or, if a different address is stated in a proof of claim duly filed by such holder, to such address. In all cases where delivery or distribution of any property is effectuated by mail, the date of delivery or distribution shall be the date of mailing. Property delivered in accordance with this Section will be deemed delivered to the holder regardless of whether such properties actually received by such holder.

6.13.3 Distribution Agent. The Distribution Agent shall be the Debtor, who shall serve without bond or compensation but shall be entitled to reimbursement of reasonable expenses by applying to the court no more frequently than once every four months.

6.13.4 Disputed Payments. In the event that any dispute arises as to the right of any holder of an Allowed Claim to receive any payment or distribution to be made under the Plan, the Debtor may, in lieu of making such payment or distribution to such holder, pay such amount or make such distribution into an escrow account until the disposition thereof is determined by order of the Bankruptcy Court or by written agreement among the interested parties to such dispute.

6.13.5 Withholding of Taxes. The Debtor shall not be required to deduct any federal, state or local withholding taxes from any payments made with respect to Allowed Claims.

6.13.6 Procedure for Making Payments. All payments to the holders of Allowed Claims shall be made as set forth above in Paragraph 6.13.02. In the event, any payments are returned as undeliverable or if the payment check has not been negotiated for period of sixty (60) days after mailing, the Debtor shall make reasonable efforts to ascertain the current address for the holder of the Allowed Claim for period of no fewer one hundred twenty (120) days after payment was originally sent. Thereafter, if the

current address of the holder has not been ascertained, with the payment check that has not been negotiated, within such one hundred twenty (120) day period, the payment check shall be void, and the funds evidenced by the check shall be forfeit.

PART 7
RETENTION OF JURISDICTION

7.01 Notwithstanding confirmation of the Plan, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, and relating to, this Chapter II Case and the Plan pursuant to all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. The Bankruptcy Court, without limitation, shall retain jurisdiction for the following purposes:

7.01.1 To hear and determine all objections to the allowance, estimation or classification of Claims and Interests both before and after the Confirmation Date and to allow or disallow, estimate or classify any Claims;

7.01.2 To hear, determine, allow and approve or disapprove the payment of any Administrative Expense and Fee Requests not previously allowed;

7.01.3 To hear and rule on any pending applications for assumption or rejection of executory contracts and unexpired leases and to determine the amount of damage, if any, suffered by a party to any rejected executory contract or unexpired lease, whether rejected before or after the Confirmation Date, and to allow or disallow any Claim resulting from the rejection of an executory contract or unexpired lease;

7.01.4 To hear and determine all applications, motions, adversary proceedings or contested matters initiated or commenced in the Bankruptcy Court by the Debtor or by any party in interest and pending on the Confirmation Date or filed prior to the Completion Date;

7.01.5 To enforce and interpret the Plan, to resolve any disputes arising under or in connection with the Plan, to effectuate payments under the Plan, and/or compel

performance of any Person in accordance with the provisions of the Plan;

7.01.6 To correct any defect, to cure any omission, or to reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary or advisable to carry out the intent and purpose of the Plan;

7.01.7 To issue and enforce any order necessary to carry out the Plan and to determine such other matters as may be provided in the Confirmation Order or otherwise deemed appropriate to accomplish its purposes;

7.01.8 To hear, determine, and enforce recovery of any assets or bankruptcy causes pursued by the Debtor, or any entity acting on behalf of the Debtor with the permission of the Bankruptcy Court, or to authorize the prosecution of same and such other courts as may be required by law;

7.01.9 To hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;

7.01.10 To hear any other matter not inconsistent with the Bankruptcy Code;

7.01.11 To consider any modification of the Plan under Section 1127 of the Bankruptcy Code; and

7.01.12 To enter a final decree closing the Chapter 11 Case.

PART 8

GENERAL PROVISIONS

8.01 Definitions and Rules of Construction.

Except as expressly otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined herein shall have the meanings assigned to them in this Part 8 of the Plan. Any term used in the Plan that is not otherwise defined herein, but that is defined in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules. Whenever the context requires, all such terms, whether or not specifically

defined, shall include the plural as well as the singular form, the masculine gender shall include the feminine and the feminine shall include the masculine.

The definitions and rules of construction set forth in Section 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan. All exhibits to this Plan are considered part of this Plan but, in the event of any conflict between the Plan and its exhibits, the terms of this Plan control.

8.01.1 Administrative Expense. Any right to payment constituting a cost or expense of administration of the Chapter 11 Case under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving Debtor's estate, any actual and necessary costs and expenses of operating Debtor's business and any indebtedness or obligations incurred or assumed by Debtor, as debtor in possession, during the Chapter II Case.

8.01.2 Allowed Claim. A Claim (including an Administrative Expense Claim) or any portion thereof, (a) proof of which was filed before the Claims Bar Date, or, with respect to an Administrative Expense Claim, a properly filed proof of claim, request or motion for which was filed before the Administrative Claims Bar Date, or, if no proof of claim is filed, that has been or hereafter is listed by Debtor in its Schedules in a liquidated amount and as not disputed or contingent, (b) as to which no objection to its allowance, or motion for its estimation, has been filed within the period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or by any Final Order of the Bankruptcy Court, or as to which an objection has been filed and such Claim has been allowed in whole or in part by a Final Order or such objection has been settled or withdrawn, and (c) the amount of which has been liquidated and the liability therefore deemed non contingent. An Allowed Claim shall be reduced by all post-petition payments that have been made to Holders of Allowed Claims and that

are allocable to principal and accrued pre-petition interest. Notwithstanding the foregoing, pursuant to Section 502(d) of the Bankruptcy Code, 11 U.S.C. Section 502(d), no Claim shall be an Allowed Claim on behalf of any entity from which the Court has determined that property is recoverable under Sections 542, 543, 550, or 553 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under Sections 522(f), 522(h), 544, 545, 547, 548, 549, or 541(a) of the Bankruptcy Code, unless such entity or transferee has paid the amount, or turned over any such property, for which such entity or transferee is liable to the Estate. Except with respect to Claims in Classes 2, 3 and 5, an "Allowed Claim" shall not include any interest on a Claim that has accrued after the Filing Date, except as expressly provided for in the Plan or pursuant to a Final Order of the Bankruptcy Court and an "Allowed Claim" in a particular Class shall not include any portion of a Claim that has been subordinated to the Claims of the Class to which it would otherwise belong absent such subordination.

8.01.3 Bankruptcy Code. The United States Bankruptcy Code, as codified in Title 11 of the United States Code, and all amendments thereto.

8.01.4 Bankruptcy Court. The United States Bankruptcy Court for the Middle District of Pennsylvania, Harrisburg Division, or, to the extent the reference of this proceeding is withdrawn, the United States District Court for the Middle District of Pennsylvania, or such other court of the United States that may have jurisdiction over the Chapter 11 Case.

8.01.5 Bankruptcy Rules. The Federal Rules of Bankruptcy Procedure, as amended, promulgated under 28 U.S.C. Section 2075.

8.01.6 Causes of Action. All claims, rights, actions, causes of action, suits, or proceedings whatsoever, owed, held or instituted by, or on behalf of, Debtor or Debtor's Estate, whether with or without the cooperation

of Debtor, or whether in a direct or derivative capacity, and any and all rights or causes of action to recover damages or losses under non-bankruptcy law, or to avoid or recover any transfers under Sections 544, 547, 548, 549, 550, 551 and 553 or any other Section of the Bankruptcy Code and any rights or causes of action belonging to, or held by, Debtor or its Bankruptcy Estate under non-bankruptcy law.

8.01.7 Claim. A right to payment or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment against Debtor whether or not asserted against Debtor and whether or not such right is reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, legal or equitable, secured or unsecured as defined in Section 101(5) of the Bankruptcy Code.

8.01.8 Claimant. A Person holding a Claim.

8.01.9 Class. Any group of substantially similar Claims as classified herein pursuant to Sections 1122 and 1123(a) (1) of the Bankruptcy Code.

8.01.10 Confirmation Date. The date upon which the Confirmation Order is entered by the Bankruptcy Court.

8.01.11 Confirmation Order. The Order entered by the Bankruptcy Court confirming the Plan.

8.01.12 Debtor. TVR, Inc.

8.01.13 Disclosure Statement. The disclosure statement filed by Debtor in connection with this Plan pursuant to 11 U.S.C. Section 1125, as may be further amended by Debtor from time to time.

8.01.14 Disputed Claim. Any alleged Claim that has been scheduled as a Disputed Claim or as to which a timely Proof of Claim has been filed (or, in the case of an Administrative Expense Claims, a timely and properly filed proof of claim, motion or request seeking its allowance has been filed) to the extent such Claim is

neither an Allowed Claim nor a Disallowed Claim. Disputed Claims shall be deemed to include, without limitation, claims that are listed as being disputed in the Plan or the Disclosure Statement, as well as Claims for which Debtor objects prior to the passage of any applicable deadline for asserting such objection.

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

8.01.16 Estate. The estate created in the Chapter 11 Case pursuant to Section 541 of the Bankruptcy Code, including any proceeds of the Property of such Estate.

8.01.17 Fee Request. A request for compensation or reimbursement of expenses pursuant to Sections 327, 328, 330, 331 or 503(b) of the Bankruptcy Code in connection with an application made to the Bankruptcy Court.

8.01.17.1 Fee Requests of Professional Persons. Any and all Professional Persons retained or requesting compensation pursuant to Sections 327, 328, 330, 331 and 503(b) of the Bankruptcy Code for professional services performed and expenses incurred before the Confirmation Date shall file a Fee Request for final allowance of compensation and reimbursement of expenses with the Bankruptcy Court not later than twenty (20) days after the Confirmation Date. Objections to Fee Requests shall be filed, if at all, within twenty (20) days after the Fee Request is filed with the Bankruptcy Court. Not less than ten (10) days before the Confirmation Date, each Professional Person shall deliver to the Debtor by written notice and estimate of the fees and expenses for which such Professional Person shall apply in a Fee Request. Professional Persons shall not be required to file Fee Requests for professional services rendered and expenses incurred after the Confirmation Date.

8.01.18 Final Order. An order or judgment entered by the Bankruptcy Court or any other court of competent

jurisdiction over the subject matter and the parties (a) that is in full force and effect and that has not been stayed (and as to which no stay of enforcement is in effect pursuant to Federal Rules of Bankruptcy Procedure 3020, 4001, 6004, 6006 and 7062), reversed, modified or amended, (b) as to which the time to appeal or seek certiorari, review or rehearing has expired (without regard to whether the time to seek relief from a judgment under Bankruptcy Rule 9024 has expired) and (c) as to which no appeal or petition for certiorari, review or rehearing that was timely filed is pending.

8.01.19 Holder. A Person holding either a Claim or an Interest.

8.01.20 Interest. The equity interest in Debtor held by the Holder of an equity Security.

8.01.21 New Equity Owner. Individual with the exclusive right to receive new stock in exchange for the total consideration of \$2,000.00. The individual is Phillip Colosimo(Colosimo). Colosimo is currently the sole equity owner and officer of the Debtor.

8.01.22 Effective Date of the Plan. The day not later than fifteen (15) calendar days after the Effective Date.

8.01.23 Objections to Claims. Objections to the validity and/or amount of Claims shall be filed by the Debtor with the Bankruptcy Court on or before the tenth (10th) day following approval of the Debtor's Disclosure Statement. The Debtor shall serve a copy of such objection upon the holder of the alleged claim to which it pertains.

8.01.24 Petition Date. October 7, 2016, the date on which Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy Code, thereby commencing the Chapter 11 Case.

8.01.25 Plan. This Plan of Reorganization as amended, modified, or altered in accordance with applicable provisions of the Plan, Confirmation Order, Bankruptcy

Code, Bankruptcy Rules or other Bankruptcy Court Order.

8.01.26 Plan Proponent. TVR, Inc.

8.01.27 Pre-Payment of Claims Without Penalty. The Debtor reserves the right to prepay any or all of the payments set forth in the Plan without penalty.

8.01.28 Priority Non-Real Estate Tax Claim. Any Claim entitled to priority under Section 507 of the Bankruptcy Code, other than Claims set forth in Section 507(a)(2) and 507(a)(8)(b) of the Bankruptcy Code.

8.01.29 Provisions of Confirmation Order. The Confirmation Order shall contain provisions (i) authorizing the Debtor to take or cause to be taken all actions necessary to enable it effectively to implement all of the provisions of the Plan; (ii) making the provisions of the Confirmation Order non-severable and mutually dependent; and (iii) that are in a form and substance reasonably acceptable to the Debtor.

8.01.30 Professional Person. Attorneys, accountants, appraisers, auctioneers, consultants, or other professionals within the meaning of Section 327 of the Bankruptcy Code.

8.1.31 Property. All real, personal and intangible property, together with all associated improvements, fixtures, or proceeds, owned or held by Debtor or by Debtor's Estate or in which Debtor or Debtor's Estate has any interest, wherever located, including, without limitation, any item of property, right, claims, action or cause of action belonging to Debtor, Debtor-in-Possession, or Debtor's Estate.

8.01.32 Pro-Rata. As used in the Plan with regard to distributions to Holders of Class 3 Claims, the term Pro-Rata shall mean a fractional share of the payments to be distributed with the numerator of the fraction being the value of the claimant's Allowed Claim and the denominator of the fraction being the total of the Allowed Amounts of all Claims in Class 3.

8.01.33 Scheduled. With respect to any Claim, the

status of such Claim as set forth in the Schedules.

8.01.34 Schedules. The schedules of assets and liabilities filed by Debtor with the Bankruptcy Court, as they may have been or may be amended or supplemented on or prior to the Effective Date.

8.01.35 Secured Claim. A Claim that is secured by a valid, unavoidable lien, security interest or other charge against property in which Debtor has an interest or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value, determined in accordance with Section 506(a) of the Bankruptcy Code pursuant to a Final Order, including any Order confirming this Plan, or as otherwise agreed in writing between Debtor and the Holder of the Secured Claim, of the interest of the Holder of such Secured Claim in Debtor's interest in such property or to the extent of the amount subject to such setoff, as the case may be. A Secured Claim may include post-petition interest if permitted under Section 506 of the Bankruptcy Code.

8.01.36 Unclassified Claim. A Claim as defined in Section 3.01 of the Plan.

8.01.37 Unsecured Claim. A Claim that is not secured by a valid lien, perfected, unavoidable, security interest, lien or other charge against property in which Debtor has an interest and that is not subject to setoff under Section 553 of the Bankruptcy Code; or that portion of a Claim that is subject to a valid lien, perfected, unavoidable security interest, lien or other charge in collateral that exceeds the value of the collateral. Unsecured Claims do not include Administrative Expense Claims, Priority Non-Tax Claims or Priority Tax Claims.

8.02 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.

8.03 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.

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

8.05 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the Commonwealth of Pennsylvania govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan. 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.

8.06 Plan Term. The term of this Plan shall be sixty-eight months from the Effective Date of the Plan, unless extended by order of the Court.

8.07 U.S. Trustee Quarterly Reports and Quarterly Fees. The Debtor in Possession shall file and serve upon creditors and all holders of beneficial interests in the Estate the Quarterly Post-Confirmation Reports required by Section 7.2 of the Guidelines of the Office of the United States Trustee. Quarterly fees accruing under 28 U.S.C. Section 1930(a)(6) after confirmation shall be paid to the United States Trustee in accordance with that statute until entry of a final decree, or entry of an order of dismissal or conversion to chapter 7.

8.08 Modification of Plan. The Plan proponent may modify this Plan at any time before confirmation, subject to Section 1127 and Rule 3019(a), but in that event the court may require a new disclosure statement and/or revoting on the Plan. The Plan proponent or the reorganized Debtor also may seek to modify this Plan at any time after confirmation if this Plan has not been substantially consummated and if the court authorizes the proposed modifications after notice and hearing pursuant to Section 1127(b).

8.09 Cramdown. If all of the applicable requirements for confirmation of the plan are met as set forth in Section 1129(A) of the Bankruptcy Code except subsection (8) thereof, the Debtor may request that

the bankruptcy court confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code, notwithstanding the requirements of subsection (8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to any non-accepting impaired Class or Classes of Claims or Interests.

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

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

PART 9
LIQUIDATION

If this proceeding was converted to Chapter 7, no distribution to allowed unsecured, non-priority claims would be made. The Plan, as set forth herein, proposes a 5% pro-rata distribution to allowed unsecured, non-priority claims. Accordingly, the proposed Plan is beneficial to class 3A creditors.

PART 10
REQUEST FOR CONFIRMATION

The Debtor, as proponent of the Plan, requests confirmation of the Plan in accordance with Section 1129(a) or 1129(b) of the Bankruptcy Code.

Respectfully Submitted:

TVR, Inc.

/S/ Phillip Colosimo
By Phillip Colosimo, Pres.
Debtor in Possession/Plan Proponent

/s/ John Fisher

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ⁱ See In re River Village Assoc. 1993 (Bankr E.D. Pa June 25, 1993), In re F.A.B. Indus., 147 B.R. 763 (C.D. Cal. 1992).