

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA**

**In Re:
Wagle, LLC
dba Ed & Mark's Locksmith,
Debtor.**

Bankruptcy No. 16-21169-CMB

**AMENDED SMALL BUSINESS DISCLOSURE STATEMENT
TO ACCOMPANY SMALL BUSINESS CHAPTER 11 PLAN DATED
MARCH 20, 2017**

Chapter 11 Small Business (Check box only if debtor has elected to be considered a small business under 11 U.S.C. §1121(e))

Debtor furnishes this disclosure statement to creditors in the above-captioned matter pursuant to Bankruptcy Code §1125 to assist them in evaluating debtor's proposed Chapter 11 plan, a copy of which is attached hereto. Creditors may vote for or against the plan of reorganization. Creditors who wish to vote must complete their ballots and return them to the following address before the deadline noted in the order approving the disclosure statement and fixing time. The Court will schedule a hearing on the plan pursuant to 11 U.S.C. §1129.

Address for return of ballots:

Francis E. Corbett, Esquire
1420 Grant Building
310 Grant Street
Pittsburgh, PA 15219-2230

I. Background

1. Name of Debtor

Wagle, LLC dba Ed & Mark's Locksmith

2. Type of Debtor

Corporation

3. Debtor's Business or Employment

Locksmith

4. Date of Chapter 11 Petition

March 30, 2016

5. Events that Caused the Filing:

A balloon payment coming due on their primary secured debt.

6. Anticipated Future of the Company & Source of this Information and Opinion

Continuing operations of the locksmith business.

7. Summarize all Significant Features of the Plan Including When and How Each Class of Creditor Will Be Paid and What, If Any, Liens Will Be Retained By Secured Creditors or Granted to Any Creditor Under the Plan

The liens of BB & T will be retained until paid in full according to the terms of the plan.

8. Are All Monthly Operating Statements Current and on File with the Clerk of Court?

Yes X No _____

If Not, Explain:

9. Does the plan provided for releases of non-debtor parties? Specify which parties and terms of release.

No.

10. Identify all executory contracts that are to be assumed or assumed and assigned.

None

**11. Has a bar date been set? x yes no
(If not, a motion to set the bar date has been filed simultaneously with the filing of this disclosure statement.)**

12. Has an election under 11 U.S.C. §1121(e) has been filed with the Court to be treated as a small business?

Yes x No _____

13. Specify property that will be transferred subject to 11 U.S.C. §1146(c).

None

II. Creditors

A. Secured Claims

SECURED CLAIMS

Creditor	Total Amount Owed	Arrearages	Type of Collateral Priority of Lien (1, 2, 3)	Disputed(D) Liquidated(L) Unliquidated (U)	Will Liens be Retained Under the Plan (Y)or(N)
BB&T	\$440,138.45	\$0.00	Business assets/real estate	L	Y
BB&T	\$271,151.31	\$0.00	Business assets	D	Y
TOTAL	\$711,289.76				

B. Priority Claims

PRIORITY CLAIMS

Creditor	Total Amount Owed	Type of Collateral	(D)(L)(U) *
Pa. Dept. of Revenue	\$3,618.70	None	L
West Virginia State Tax Dept.	\$10,009.15	None	D
	\$13,627.85		

* Disputed (D), Liquidated (L), or Unliquidated (U)

C. Unsecured Claims

1. Amount Debtor Scheduled (Disputed and Undisputed)	\$ 326,491.82
2. Amount of Unscheduled Unsecured Claims	\$ 233,195.71
3. Total Claims Scheduled or Filed	\$ 559,687.53
4. Amount Debtor Disputes	\$ 0.00
5. Estimated Allowable Unsecured Claims	\$ 559,687.53

D. Other Classes of Creditors

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$0.00
2.	Amount of Unscheduled Claims ¹	\$0.00
3.	Total Claims Scheduled or Filed	\$0.00
4.	Amount Debtor Disputes	\$0.00
5.	Estimated Allowable Claims	\$0.00

E. Other Classes of Interest Holders

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$0.00
2.	Amount of Unscheduled Claims ¹	\$0.00
3.	Total Claims Scheduled or Filed	\$0.00
4.	Amount Debtor Disputes	\$0.00
5.	Estimated Allowable Claims	\$0.00

III. Assets

ASSETS

Assets	Value	Basis for Value Priority of Lien	Name of Lien Holder (if any) (Fair Market Value/Book Value)	Amount of Debtor's Equity (Value Minus Liens)
Real Estate	\$425,000.00	Debtor	BB&T	\$0.00
Equipment	\$6,663.00	Debtor	BB&T	\$0.00
Inventory	\$19,183.75	Debtor	BB&T	\$0.00
Receivables	\$9,710.80	Debtor	BB&T	\$0.00
Bank Accounts	\$3,673.96	Debtor	BB&T	0.00
	\$464,231.51 TOTAL			\$0.00 TOTAL

1. Are any assets which appear on Schedule A or B of the bankruptcy petition not listed above?

No

If so, identify asset and explain why asset is not in estate:

2. Are any assets listed above claimed as exempt? If so attach a copy of Schedule C and any amendments. None.

IV. SUMMARY OF PLAN

1. **Effective Date of Plan:**

30 days following confirmation.

2. **Will cramdown be sought?** Yes No
If Yes, state bar date: 30 days following confirmation

3. **Treatment of Secured Non-Tax Claims**

SECURED NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
BB&T	2	\$440,138.45	Pursuant to stipulated terms
BB&T	2	\$66,000.00	Pursuant to stipulated terms
TOTAL		\$506,138.45	

4. **Treatment of Secured Tax Claims**

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
None			
TOTAL		\$0.00	

5. Treatment of Administrative Non-Tax Claims

ADMINISTRATIVE NON-TAX CLAIMS

Name of Creditor *	Amount Owed	Type of Debt **	Summary of Proposed Treatment and Date of First Payment
Francis E. Corbett	\$5,000.00	Attorney for Debtor Fees	To be paid as parties agree.
United States Trustee	\$650.00	Trustee Fees	To be paid in full on the Plan Effective Date.
TOTAL	\$5,650.00		

* Identify and Use Separate Line for Each Professional and Estimated Amount of Payment

** Type of Debt (P=Professional, TD=Trade, TX=Taxes)

6. Treatment of Administrative Tax Claims

ADMINISTRATIVE TAX CLAIMS

Name of Creditor *	Amount Owed	Type of Debt **	Summary of Proposed Treatment and Date of First Payment
None			

7. Treatment of Priority Non-Tax: None

PRIORITY NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
None			

8. Treatment of Priority Tax Claims:

PRIORITY TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
Pa. Dept. of Revenue	3	\$3,618.70	2015	Paid over five-year term
West Virginia State Tax Dept.	3	\$10,009.15	2008	Paid over five-year term
TOTAL		\$13,627.85		

9. Treatment of General Unsecured Non-Tax Claims:

GENERAL UNSECURED NON-TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
Lynn Stone McLaughlin	4	\$483,144.00	2%
PNC Bank	4	\$453.02	2%
BB&T	4	\$11,323.65	2%
EZtoUse.com	4	\$1,223.00	2%
Kabbage	4	\$6,872.98	2%
McIntosh Safe Corp.	4	\$10,457.00	2%
PNC Bank	4	\$11,603.21	2%
Small Business Funding	4	\$23,606.00	2%
Turn 10 Wholesale Service	4	\$4,875.25	2%
YP	4	\$772.61	2%
BB&T	4	\$205,151.31	2%
TOTAL		\$758,482.03	

10. Treatment of General Unsecured Tax Claims:

GENERAL UNSECURED TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
Pa. Dept. of Revenue	4	\$537.56	2%
West Virginia State Tax Dept.	4	\$2,547.01	2%
TOTAL		\$3,084.57	

11. Will periodic payments be made to unsecured creditors?

Yes No ___ First periodic payment to begin 6 months following confirmation

If so:

Amount of each payment (aggregate to all unsecured claimants) \$760.00

Estimated date of first payment: 10/01/17

Time period between payments: 6 months

Estimated date of last payment: 05/01/23

Contingencies, if any: None

State source of funds for planned payments, including funds necessary for capital replacement, repairs, or improvements:

Operation of business.

Other significant features of the plan: None

Include any other information necessary to explain this plan: None

V. Comparison of Plan with Chapter 7 Liquidation

If debtor's proposed plan is not confirmed, the potential alternatives would include proposal of a different plan, dismissal of the case or conversion of the case to Chapter 7. If this case is converted to Chapter 7, a trustee will be appointed to liquidate the debtor's non-exempt assets. In this event, all secured claims and priority claims, including all expenses of administration, must be paid in full before any distribution is made to unsecured claimants.

Total value of Chapter 7 estate See Section III)	\$464,231.51
1. Less secured claims (See IV-2)	\$711,289.76
2. Less administrative expenses	\$5,650.00
3. Less other priority claims (See IV-4)	\$13,727.85
 Total Amount Available for Distribution to Unsecured Creditors	 \$0
 Divided by total allowable unsecured claims of (See Section II C)	 \$553,330.72
 Percentage of Dividend to Unsecured Creditors:	 0%

Will the creditors fare better under the plan than they would in a Chapter 7 liquidation?

Yes X No _____

Explain: A liquidation will provide no benefit to the unsecured creditors.

VI. Feasibility

- A. Income Statement for Prior 12 Months.
- B. Cash Flow Statement for Prior 12 Months.
- C. Cash Flow Projections for Next 12 Months.

Estimated amount to be paid on effective date of plan, including administrative expenses.

\$5,650.00

Show how this amount was calculated.

\$5000.00	Administrative Class
\$0	Taxes
\$0	Unsecured Creditors
<u>\$650.00</u>	UST Fees
\$5,650.00	TOTAL

What assumptions are made to justify the increase in cash available for the funding of the plan?

The funds held in escrow by Debtor’s counsel from the initial retainer, \$3,283.00.

Will funds be available in the full amount for administrative expenses on the effective date of the plan? From what source? If not available, why not and when will payments be made?

Yes.

Cash on hand \$10,682.57 Attach current bank statement

Cash on hand \$10,000.00* (Estimated amount available on date of confirmation)

***Includes \$3,283.00 in counsel’s escrow account from initial retainer. Debtor has accumulated a balance on hand because the payments to BB&T were delayed until August 2016.**

If this amount is less than the amount necessary at confirmation, how will debtor make up the shortfall? By a cash infusion of new money in the amount of \$8,000.00, along with continuing operations.

VII. Management Salaries

MANAGEMENT SALARIES

Position/Name of Person Holding Position	Salary at Time of Filing	Proposed Salary (Post-Confirmation)
Patricia Wagle	\$20,000.00	\$20,000.00
April Wagle	\$19,000.00	\$19,000.00
Both families live in the homes on the same lot as the business buildings.	These totals reflect a pro rata share of the mortgage payments, utilities and property taxes for the property	

VIII. Identify the Effect on Plan Payments and Specify Each of the Following:

1. What, if any, Litigation is pending?

None.

2. What, if any, Litigation is Proposed or Contemplated?

None.

IX. Certification

The undersigned hereby certifies that the information herein is true and correct to the best of my knowledge and belief formed after reasonable inquiry.

The Debtor is a Limited Liability Company and a Consent to the Filing of Chapter 11 Plan and Disclosure Statement signed by the Member is attached.

Date: 03/20/17

/s/ Francis E. Corbett
Francis E. Corbett, Esquire
fcorbett@fcorbettlaw.com
1420 Grant Building
310 Grant Street
Pittsburgh, PA 15219-2230
(412) 456-1882

Consent to the Filing of the Amended Chapter 11 Plan and Disclosure Statement

I, Patricia Wagle, do hereby verify subject to penalties of perjury that I am the managing member of Wagle, LLC. In that capacity I have authorized the filing of the Amended Chapter 11 Plan and Disclosure Statement dated March 20, 2017 in the Bankruptcy case filed at Case No. 16-21169-CMB

Dated: 3/20/2017

Patricia Wagle
Patricia Wagle



Statement Ending 02/28/2017

4140 E. State Street
Hermitage, PA 16148

WAGLE LLC

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Primary Account Number: 95068394

ADDRESS SERVICE REQUESTED

WAGLE LLC
DBA ED & MARK'S LOCKSMITH
DIP 16-21169
7615 NATIONAL PIKE
UNIONTOWN PA 15401-5108

Managing Your Accounts

- Online www.fnb-online.com
- By Phone 1 800-555-5455
- By Mail 4140 E. State Street
Hermitage, PA 16148

Effective March 1, 2017, First National Bank will be making adjustments to the activity fees for your business checking account. Please review your statement for the fee changes. If you have any questions regarding the changes, please contact your branch manager or Treasury Management Representative for additional information.

Summary of Accounts

Account Type	Account Number	Balance This Statement
FREE SMALL BUSINESS CHECKING	95068394	\$10,682.57

FREE SMALL BUSINESS CHECKING - 95068394

Account Summary

Date	Description	Amount		
02/01/2017	Balance Last Statement	\$9,098.64	Minimum Balance	\$6,516.62
	22 Credit(s) This Period	\$14,712.50	Average Ledger Balance	\$8,160.56
	36 Debit(s) This Period	\$13,128.57	Average Available Balance	\$7,594.53
02/28/2017	Balance This Statement	\$10,682.57		

Account Activity

Post Date	Description	Debits	Credits	Balance
02/01/2017	Balance Last Statement			\$9,098.64
02/01/2017	BASS SECURITY SE PAYABLES S103029		\$265.00	\$9,363.64
02/02/2017	FIRST NATIONAL FNBmersvcs 39300982024233		\$12.72	\$9,376.36
02/02/2017	CHECK # 193	\$1,400.00		\$7,976.36
02/02/2017	49749 POS PUR 02/01 00:06 FRIED BROTHERS I 215-627-3205 PA 00000000 049~5072	\$125.00		\$7,851.36
02/03/2017	DEPOSIT		\$800.20	\$8,651.56
02/03/2017	CHECK # 190	\$650.00		\$8,001.56
02/03/2017	7524 ATM WTD 02/03 12:11 FIRST NAT BANK UNIONTOWN PA PA900031 007524 ~6011	\$400.00		\$7,601.56
02/06/2017	FIRST NATIONAL FNBmersvcs 39300982024233		\$323.30	\$7,924.86
02/06/2017	LUMOS NETWORKS LUMOS PMT 000000791343529	\$260.43		\$7,664.43
02/07/2017	DEPOSIT		\$1,582.16	\$9,246.59
02/07/2017	CHECK # 191	\$55.12		\$9,191.47
02/07/2017	CHECK # 192	\$44.66		\$9,146.81



EXHIBIT A - Historic Summary

Wagle, LLC

Case No.16-21169-CMB

Pre-Petition Periods	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Income	\$13,121	\$11,419	\$14,429	\$20,141	\$10,578	\$11,581	\$22,761	\$14,491	\$12,403	\$18,095	\$6,401	\$34,912
Expenses	\$14,977	\$15,596	\$14,385	\$15,082	\$6,427	\$9,275	\$16,449	\$12,086	\$21,135	\$6,527	\$13,379	\$24,418
NET CASH FLOW	(\$1,856)	(\$4,177)	\$44	\$5,059	\$4,151	\$2,306	\$6,312	\$2,405	(\$8,732)	\$11,532	(\$6,978)	\$10,494

CASH ADVANCE TAKEN						14284		16859.72				23107
CASH ADVANCE PAYBACK	3021	2226	3180	3185	3221	5514	5288	5550.02	7407.17	6213.4	6296	12069.17

EXHIBIT B - Plan Feasibility

Wagle, LLC

Case No. 16-21169-CMB

Post Petition Periods	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Income	\$13,565.31	\$12,722.48	\$16,582.51	\$16,089.37	\$17,247.81	\$14,587.66	\$19,351.83	\$15,790.87	\$16,138.11	\$16,342.72	\$10,524.31	\$14,012.47
Expenses	\$6,021.07	\$12,715.20	\$13,402.07	\$9,962.27	\$12,724.21	\$15,178.97	\$18,012.38	\$14,604.88	\$17,618.94	\$16,627.76	\$14,945.86	\$13,901.72
NET CASH FLOW	\$7,544.24	\$7.28	\$3,180.44	\$6,127.10	\$4,523.60	(\$591.31)	1339.45	1185.99	(\$2,474.83)	(\$991.18)	(\$4,421.55)	1679.19

2716.00 ADEQUATE PROTECTION

EXHIBIT C - Projected Summary

Wagle, LLC

Case No. 16-21169-CMB

Post Petition Periods	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Total Projected Cash Flow From Operations	\$14,588	\$17,000	\$18,000	\$18,500	\$22,800	\$14,100	\$14,200	\$15,900	\$17,400	\$17,000	\$16,300	\$17,000
Less Total Projected Disbursements	\$12,463	\$13,200	\$13,800	\$14,300	\$18,800	\$10,500	\$10,500	\$11,900	\$13,500	\$13,200	\$12,200	\$13,000
Less Payments to Creditors in the Plan	\$2,716	\$2,725	\$2,725	\$2,725	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700
Anticipated Cash Flow Available for Plan	(\$591)	\$1,075	\$1,475	\$1,475	\$300	(\$100)	\$0	\$300	\$200	\$8,100	\$400	\$300