

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

In Re: **Royal Flush, Inc.,**  
Debtor. **Bankruptcy No. 16-23458 JAD**  
**Chapter 11**  
**Related Doc. No. 220, 223 & 268**

**FOURTH AMENDED DISCLOSURE STATEMENT  
TO ACCOMPANY FOURTH AMENDED PLAN DATED NOVEMBER 13, 2017**

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Royal Flush, Inc. (the “Debtor”) furnishes this Third Amended Disclosure Statement (the “Disclosure Statement”) to creditors in the above-captioned matter pursuant to Bankruptcy Code §1125 to assist them in evaluating Debtor's proposed Third Amended Chapter 11 plan (the “Plan”), a copy of which is attached hereto. Creditors may vote for or against the Plan. 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.

All undefined capitalized terms used in this Disclosure Statement shall have the meaning ascribed to them in the Plan and if not defined in the Plan, then shall have the meaning as defined under Section 101 of the Bankruptcy Code, 11 U.S.C. §101.

**Address for return of ballots:**  
Donald R. Calaiaro, Esquire  
CALAIARO VALENCIK  
428 Forbes Avenue, Suite 900  
Pittsburgh, PA 15219-2230

The Debtor and/or other parties in interest reserve the right to dispute and/or object to any Claim identified in this Disclosure Statement and its identification and disclosure herein should not be interpreted as a waiver or release of any parties’ rights to dispute and/or object to any Claim identified herein<sup>1</sup>.

**I. Background**

- 1. Name of Debtor**  
Royal Flush, Inc.
  
- 2. Type of Debtor (individual, partnership, corporation)**  
Pennsylvania Closely Held Corporation

<sup>1</sup> This reservation does not extend to FNB. The Debtor previously waived any dispute as to their pre- bankruptcy claim in the Cash Collateral Orders.

**3. Debtor's Business or Employment**

The Debtor is involved in the Oil & Gas industry; it transports "fracked" water from gas drilling sites. This accounts for 85% of the Debtor's business; the Debtor also rents and services portable toilets. It serves the construction industry, the entertainment industry and consumers. A substantial portion of the Debtor's equipment/vehicles used in the operation of its business are leased through an affiliate/related entity, C Swank Enterprises, LLC ("C Swank"). Due to the down turn in the Oil & Gas Industry (described below), the Debtor was unable to make its lease payments to C Swank, which in turn led C Swank to be unable to make payments to its secured creditors who held equipment and vehicle financing liens on the equipment and vehicles being leased to the Debtor by C Swank. This resulted in C Swank filing its own Chapter 11 Bankruptcy at Case No. 16-23451-JAD. As the success of the Debtor's Plan is reliant upon the success of C Swank's Chapter 11 proceeding and preservation of the equipment and vehicles leased to it by C Swank, creditors of this Debtor are encouraged to review the plan and disclosure statement filed in the C Swank bankruptcy case. You can request copies of the C Swank disclosure statement and plan by contacting Debtor's counsel, Donald Calaiaro, Esq., by email at [dcalaiaro@c-vlaw.com](mailto:dcalaiaro@c-vlaw.com) or by phone at 412-232-0930, or by contacting counsel for the Official Committee of Unsecured Creditors of Royal Flush, Inc. (the "Committee"), John M. Steiner, by email at [jsteiner@leechtishman.com](mailto:jsteiner@leechtishman.com) or by phone at 412-261-1600, or you can visit the Committee website at <http://www.leechtishman.com/bankruptcy-creditors-rights/creditors-committee-portals/>.

**4. Date of Chapter 11 Petition**

September 15, 2016

**5. Events that Caused the Filing:**

The Oil & Gas industry weakened in 2014- 2016. Fewer gas wells were being operated because of the failing price of natural gas. As there were fewer oil & gas wells, competition increased and the market price for their services fell by more than 25%. The Debtor lost a major portion of their business as the economy weakened the construction business sector. Their income decreased and they were unable to meet their obligations. The Debtor was not able to contract more than 80% of its equipment up through August of 2016 because of reduced demand. The Debtor was not able to service its fixed equipment costs as its income was reduced. The Debtor's lenders would not restructure its debt outside of a bankruptcy. The Debtor filed this chapter 11 to reorganize.

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

The Debtor has been able to restructure the secured debt to an affordable level; and it will be able to meet the future payments to creditors under this Plan. The Debtor has made adequate protection payments to secured creditors as they have negotiated adequate protection agreements. In September through December of 2016, the Debtor has been able to contract 95% of its equipment. Further, the Debtor anticipates that coupled with its ability to restructure its debts and continue its operations, it will be able to make the necessary lease payments to C Swank (described more fully below), which will in turn then enable C Swank to fund its Chapter 11 plan and make the

necessary payments to its creditors, thus preserving the equipment and vehicles for this Debtor's use in operations going forward. The Debtor's income has been increasing after the filing as the Oil and Gas Industry has rebounded over the last 16 months.

**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**

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**(A) Class 1, Administrative Claims** Class 1 administrative claims will be paid in full on the Plan Effective Date unless the parties agree on a different payment arrangement.

**(B) Class 2, Secured Claim of First National Bank of Pennsylvania ("FNB"):** FNB is the holder of first priority perfected security interests and liens in the personal property assets of the Debtor, including inventory, chattel paper, accounts, receivables, equipment, documents and general intangibles, as well as, certain titled motor vehicles as more fully set forth in certain notes, security agreements, guarantees and other loan security documents (the "Loan Documents") executed by the Debtor. The Debtor has guaranteed certain obligations of C Swank owed to FNB on certain loans made by FNB to C Swank, which guaranties are secured by the personal assets of the Debtor. The total outstanding balance on the Secured Claim owed jointly severally by the Debtor and C Swank to FNB as of September 12, 2017 was \$2,474,850.23, inclusive of post-petition interest, fees and costs, including without limitation, reasonable attorneys' fees and costs in the amount of \$104,688.18 (as of August 31, 2017), which FNB is entitled to under Section 506 of the Bankruptcy Code. Said amount will continue to accrue post-petition interest, costs and fees, including reasonable attorney fees and costs, up through and including the Effective Date of the Plan. For ease of administration, the balances owed to FNB by the Debtor shall be administratively consolidated into one monthly payment to be made by the Debtor to FNB.<sup>2</sup>

The Secured Claim of FNB consists of the following:

<u>Date/Note Amount/Loan Number</u>	<u>Borrower(s)</u>	<u>Guarantor</u>	<u>Loan Balance as of Petition Date (The balance owed to FNB as of the Effective Date of the Plan will include unpaid post-petition interest, costs and fees, including attorney fees)</u>
April 9, 2014 \$750,000 Loan No. 45301210	Royal Flush Carol Swank	C Swank April 9, 2014	\$766,372.06
April 9, 2014	Royal Flush	C Swank	\$47,603.00

<sup>2</sup> Substantively the FNB Loans shall remain as separate loans with FNB.

<u>Date/Note Amount/Loan Number</u>	<u>Borrower(s)</u>	<u>Guarantor</u>	<u>Loan Balance as of Petition Date (The balance owed to FNB as of the Effective Date of the Plan will include unpaid post-petition interest, costs and fees, including attorney fees)</u>
\$100,000 Loan No. 45300205	Carol Swank	April 9, 2014	
April 9, 2014 \$64,800 Loan No. 45301225	Royal Flush Carol Swank	C Swank April 9, 2014	\$30,846
May 23, 2014 \$80,640 Loan No. 45350410	Royal Flush Carol Swank	C Swank May 23, 2014	\$29,888.13
July 8, 2016 \$200,000 Loan No. 45925095	Royal Flush Carol Swank	C Swank July 8, 2016	\$76,753.27
December 5, 2014 \$492,400 Loan No. 45522085	C Swank Carol Swank	Royal Flush December 5, 2014	\$266,697.32
April 28, 2015 \$2,200,000 Loan No. 45624140	C Swank Carol Swank	Royal Flush April 28, 2015	\$1,516,019.32

On or about August 30, 2016, FNB filed a Complaint in Confession of Judgment against the Debtor and Carol A. Swank on the loans in the Court of Common Pleas of Armstrong County, Pennsylvania at Case No. 2016-01167 entering judgment against the Debtor in the amount of \$948,327.33, plus continuing interest, fees, and costs;

On or about August 30, 2016, FNB filed a Complaint in Confession of Judgment against the Debtor on certain loans to C Swank Enterprises, LLC and Carol A. Swank, which the Debtor guaranteed, in the Court of Common Pleas of Armstrong County, Pennsylvania at Case No. 2016-01176 entering judgment against the Debtor in the amount of \$1,723,166.92, plus continuing interest, fees, and costs.

On the Petition Date, the amount owed to FNB on the loans the Debtor is a borrower totaled \$951,463.13. On the Petition Date, the amount owed to FNB on the loans under which this Debtor is a Guarantor totaled \$1,782,716.64. The total amount owed to FNB on the Petition Date was \$2,734,179.70. During the Debtor's Chapter 11 case and pursuant to various orders approving the use of cash collateral, the Debtor and C Swank made adequate protection payments to FNB.

After application of those adequate protection payments and with the addition of unpaid post-petition interest, costs and fees, including reasonable attorney fees and costs, the balance owed to FNB by the Debtor and C Swank, jointly and severally, as of September 12, 2017 was \$2,474,850.23. As of the Effective Date of the Plan, FNB shall have an Allowed Secured Claim in the amount of \$2,474,850.23, plus any accrued and unpaid interest, costs and fees, including reasonable attorney fees and costs, and less any adequate protection payments made by the Debtor or C Swank that have accrued or been paid from September 12, 2017 up to the Effective Date of the Plan. The FNB Allowed Secured Claim will also be reduced in the amount of \$2,100.00 a month, which amount is being contributed by Carol Swank to FNB on account of its Allowed Secured Claim as Carol swank makes those payments.

The Allowed Secured Claim of FNB shall be paid by the Debtor as follows:

- i. The first payment of \$14,371.06 will be made to FNB on the Effective Date of the Plan (the "Initial Payment") (until that date, the Debtor shall continue to pay FNB each month the adequate protection payments agreed to by the parties and approved by the Court.) Thereafter, FNB's Allowed Secured Claim will be paid in full over time at a fixed interest rate of five percent (5%) per annum with monthly minimum payments of \$14,371.06 being paid on the 15th day of each month beginning in the month immediately following the month in which Initial Payment is made. All payments made by the Debtor shall be applied first to the loans in which the Debtor is the Borrower allocated amongst such loans by FNB in its sole discretion, and, second, to the loans in which the Debtor is a guarantor allocated amongst such loans by FNB in its sole discretion. Until the Effective Date, the Debtor shall continue to pay to FNB the monthly adequate protection payments agreed to by the parties and approved by the Court. Notwithstanding any other provision in this Disclosure Statement and the Plan, all of FNB's liens and judgments are retained. The obligations, terms, and conditions set forth in FNB's Loan Documents including the notes, loan agreements, security agreements and guaranties judgments and any other documents with the Debtors are reinstated and reaffirmed unless otherwise modified and amended by the Plan and shall remain in full force and effect. FNB shall be paid its reasonable attorneys' fees and costs pursuant to 11 U.S.C. §506(d) as it is fully secured. The treatment of FNB's Allowed Secured Claim shall not in any manner discharge, or affect the rights and claims of FNB against any other persons or entities or the obligations of any person or entity to FNB with respect to the indebtedness owed to FNB, including C Swank and Carol Swank. Upon confirmation of the Plan, all pre-confirmation defaults will be waived by FNB.
- ii. Pursuant to the C Swank plan of reorganization, FNB's allowed Secured Claim will be paid in full by C Swank at a fixed interest rate of five percent (5%) per annum with monthly minimum payments of \$30,497.11 paid on the 15th day of each month. After FNB leasing is paid under the C Swank Plan, the money allocated to the FNB Commercial Leasing payment will then go to FNB until the Allowed Secured Claim of FNB is paid in full.

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- iii. To be free of doubt, the total amount due and payable to FNB, whether paid under this Plan or the C Swank plan of reorganization, or a combination of both, is the amount equal to its Allowed Secured Claim as of the Effective Date of the Plan and the C Swank plan of reorganization.
- iv. Also on account of the FNB Allowed Secured Claim, Carol Swank, the principal of the Debtor, and a co-borrower or guarantor on the FNB loans, will separately contribute \$ 2,100.00 a month to FNB, which payments shall be applied by FNB to its Allowed Secured Claim.
- v. At least fifteen (15) days prior to the end of any 3 month period following the Effective Date and continuing until the Allowed Secured Claim of FNB and the Allowed Claims in Class 8 are paid in full, the Debtor shall prepare a budget setting forth the necessary reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions, income taxes and payment of administrative claims of Professionals which it intends to retain for each 3 month period. This budget shall be provided to FNB and counsel for the Committee, John M. Steiner. In the event there are excess funds available at the end of the subject 3 month period in excess of the budgeted amounts for the reserves, the Reorganized Debtor will use all such cash reserves to pre-pay the class 2 claims of First National Bank of Pennsylvania, and once paid in full, to pay the Allowed Claims in Class 8.
- vi. Other than those salaries set forth in Section 5.4 of the Plan to which Brian and Carol Swank are entitled, the Debtor will not make any distributions, declare any dividends and/or make loans to its shareholders, members and/or equity Interest holders until all obligations and payments under the Plan have been fully paid and satisfied.

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**(C) Class 3, Ally Financial**, is the holder of liens on a 2014 Ram 2500, a 2014 Ram 5500, a 2014 Jeep Wrangler, and a 2014 Dodge Grand Caravan. The Creditor has filed claims at POC # 8 in the amount of \$24,113.32, at POC # 9 in the amount of \$32,091.29, at POC #10 in the amount of \$21,599.63, and at POC # 11 in the amount of \$13,427.10. The total secured claim of the Creditor is \$91,231.34. The Creditor will be paid in full over five (5) years with a fixed interest rate of five percent (5%).

**(D) Class 4, Chrysler Capital**, is the holder of liens on two 2014 Ram 2500, a 2014 Ram 1500, and a 2015 Ram 1500. The Creditor has filed claims at POC #5 in the amount of \$18,067.69, at POC #6 in the amount of \$18,070.99, and at POC # 7 in the amount of POC #24,571.19. The Creditor did not file a claim for the 2015 Ram 1500 VIN: 4922. The Debtor believes that the Creditor is owed \$26,487.30. The total secured claim of this Creditor is \$87,197.17. Chrysler Capital will be paid in full over five (5) years with a fixed interest rate of five percent (5%).

(E) **Class 5, J.P. Morgan Chase Bank N.A.**, is the holder of a lien on a 2014 Subaru and has filed a claim at POC # 22 in the amount of \$16,012.11. The Creditor will be paid in full over five (5) years with a fixed interest rate of 5 percent (5%).

(F) **Class 6, Priority Claims**, Holders of Allowed Priority Claims (in the approximate amount of \$517,141.26 will be paid in full over 5 years at 3% or 4% interest or the statutory rate<sup>3</sup> of post-confirmation interest from the Effective Date. Payments to Holders of Allowed Class 6 Claims shall be made monthly.

(G) **Class 7, Essential Vendors**. This class consists of the Unsecured Creditors who have continued to provide goods and services to the Debtor and who will continue to provide goods and services to the Reorganized Debtor AND who will give the Reorganized Debtor post-confirmation credit terms and preferred pricing. The following list sets forth the members in Class 7:

- Guttmann Oil, POC #18
- Jacobs Petroleum Products, Inc. POC #41
- Hunter's Truck Sales & Service, Inc. POC #43

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The Debtor is assuming any executory contracts with holders of Claims in Class 7. The Debtor will cure all pre-bankruptcy obligations, less any amounts already paid to a holder of a Claim in Class 7 during the Bankruptcy Case on account of their Pre-Petition Claim and pursuant to order entered by the Bankruptcy Court, to each Class 7 member in monthly payments over a 24 month period. As part of the agreement to assume the contracts with Holders of Class 7 Claims, the members in Class 7 agree to extend the Debtor their premium wholesale pricing and credit terms available to premium customers. This arrangement shall continue for the life of the Plan provided the Debtor adheres to the payment terms for post-petition purchases and the Debtor pays the "Cure" payments as required by the Plan. Upon the occurrence of any default, any Class 7 member shall provide notice to the Debtor. After notice, the Debtor shall have 5 (five) business days to cure any default. If no cure is timely made, then that Class 7 member shall be permitted to terminate the preferred pricing and preferred credit terms. The Class 7 member who has declared a default shall nonetheless be entitled to receive the balance of the "Cure" payments and it shall be entitled to assert any claims or damages for any failure to pay the Class 7 member for any unpaid post-petition charges. These parties have contracts with the Debtor and the Plan assumes these contacts under this Plan. The Assumption will be effective on the Date of the Confirmation of the Plan.

Guttmann Oil is a party to an executory contract with the Debtor. The Bankruptcy Court previously assumed the assumption of that contract and this plan treatment is in accordance with the prior Order approving that assumption.

Prior to the hearing on confirmation of the Plan, any Class 7 member may opt out of Class 7 treatment and the assumption of its agreement by providing the Debtor and its counsel with a written letter indicating that said creditor will opt out of the Class 7 treatment. If such letter is received by the Debtor prior to the hearing on confirmation of the Plan, then said creditor's ballot, if cast, shall

<sup>3</sup> The Pennsylvania Department of Revenue has a 4% statutory interest rate.

be tabulated and treated in accordance with Holders of Claims in Class 8.

This class may vote upon on the plan because they are impaired under the plan and they have a right of adequate assurance of the future performance of their contracts.

**(H) Class 8, General Unsecured Creditors.** holders of Allowed General Unsecured Claims will be paid the full amount of their claim, without interest, over seven (7) years. The Plan breaks this class into two subclasses. Small Claims less than \$2,500.00 and claims that exceed \$2,500. Holders of Allowed Small Claims will be paid in full in 12 monthly installments with the first payment due on the Effective Date and then every month thereafter for the next 11 months beginning on the 15<sup>th</sup> day of the month immediately following the month in which the Effective Date occurs.

Holders of Allowed Claims in Class 8 that are in excess of the Small Claim amount will be paid in full over 7 years in 28 quarterly installments. On the Effective Date, the Debtor will pay to the Disbursing Agent the first quarterly installment of \$30,580.02 (the "Class 8 First Quarterly Installment"). The Debtor shall then make 27 quarterly installment payments to the Disbursing Agent with the first quarterly installment to be made on the 1<sup>st</sup> business day of the month following the first full quarter computed on a calendar year basis after the Class 8 First Quarterly Installment has been made. The Debtor shall then make another 26 quarterly payments to the Disbursing Agent computed on a calendar year basis on the 1<sup>st</sup> business day of each month following the end of a quarter. By way of example, if the Class 8 First Quarterly Installment is made on November 15, 2017, the first full quarter computed on a calendar year basis following the Class 8 First Quarterly Installment would be the 1<sup>st</sup> quarter of 2018. Thus, the first of the 27 quarterly installments would be paid on April 2, 2018, and then on the 1<sup>st</sup> business day of the month following the next 26 quarters computed on a calendar year basis (i.e. July 12 2018, October 1, 2018, January 2, 2019, etc.). The amount of the quarterly installments necessary to pay in full Allowed **Class 8** Claims, and to make the appropriate payment into a reserve for holders of Disputed Claims in Class 8, shall be determined at or prior to the hearing on confirmation of the Plan. After receiving a quarterly installment payment, the Disbursing Agent shall as soon as practicable, make pro rata distributions to holders of Allowed Claims in Class 8 and make payment into the Disputed Claim Reserve, as necessary and applicable.

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The Disbursing Agents shall escrow in his IOLTA trust account any funds due to a holder of a Disputed Class 8 Claim (the "Disputed Claim Reserve") until said Claim has become an Allowed Claim, at which time the Disbursing Agent shall then release the pro rata amount held in the Disputed Claim Reserve to the holder of such Class 8 Claim in an amount consistent with the provisions of the treatment of holders of Allowed Class 8 Claims under the Plan.

**Prepayment Option and Discount.** The Debtor may prepay holders of Allowed Class 8 Claims at any time after the Effective Date provided that: (i) FNB's Class 2 Allowed Secured Claim is paid in full; and (ii) provided the payment is to the entire Class 8. The Debtor shall be entitled to a discount when creditors in class 8 are paid sooner than is required by this Plan. The Debtor shall be entitled to deduct 0.5% from the remaining amount owed to a particular holder of an Allowed Class 8 Claim for each month that said holder is paid ahead of schedule. (i.e. if the Debtor pays in full holders of Class 8 Claims in 22 months ahead of schedule, the Debtor gets an 11% discount of the then remaining amount due under the Plan). The Debtor, through the Disbursing Agent, shall notify holders of Allowed Class 8 Claims in writing prior to exercising the option to pay in full the Allowed

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Class 8 Claims at a discount (the "Prepayment Option Letter"). The Prepayment Option Letter shall afford holders of Allowed Class 8 Claims the option to accept the prepayment (at a discount) or continue to receive their respective quarterly payments as provided under the Plan. The Prepayment Option Letter shall contain a form to be returned to the Disbursing Agent within ten (10) business days from the holder's receipt of the Prepayment Option Letter requesting that the holder of a Class 8 Allowed Claim indicate whether it will opt-in or opt-out of the prepayment option. The Prepayment Option Letter shall also provide the amount the holder of the Allowed Class 8 Claim will receive in full satisfaction of its Allowed Class 8 Claim (less the appropriate discount) if selecting the prepayment option. Failure of a holder of an Allowed Class 8 Claim to respond to the Prepayment Option Letter shall be treated as if the holder of the Allowed Class 8 Claim opted-out of the prepayment option.

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Excess Funds after the Payment of FNB' Allowed Secured Claim. At least fifteen (15) days prior to the end of any 3 month period following the Effective Date and continuing until the Allowed Secured Claim of FNB and the Allowed Claims in Class 8 are paid in full, the Debtor shall prepare a budget setting forth the necessary reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions, income taxes and payment of administrative claims of Professionals which it intends to retain for each 3 month period. This budget shall be provided to FNB and counsel for the Committee, John M. Steiner. In the event there are excess funds available at the end of the subject 3 month period in excess of the budgeted amounts for the reserves, the Reorganized Debtor will use all such cash reserves to pre-pay the class 2 claims of First National Bank of Pennsylvania, and once the Class 2 Claim is paid in full, to pay the Allowed Claims in Class 8.

Other than those salaries set forth in Section 5.4 of the Plan to which Brian and Carol Swank are entitled, the Debtor will not make any distributions, declare any dividends and/or make loans to its shareholders, members and/or equity interest holders until all obligations and payments under the Plan have been fully paid and satisfied.

**I. Class 9, Holders of Contingent Claims Arising from the Guaranties of the Debtor.** The members of Class 9 loaned money to one or more third parties who are related to or affiliated with the Debtor, and Debtor guaranteed the third party's obligations to the creditor in connection with those loans. Class 9 excludes FNB which has its Allowed Secured (guaranty) Claims treated in Class 2. Holders of Allowed Class 9 Claims will retain their Allowed Claims against the Debtor and any third party who is liable for such debt and such Claim shall not be deemed discharged as to the Debtor or any third party who may be obligated to the holder of the Allowed Class 9 Claim.

However, this Plan does not contemplate any distribution to such creditors by the Debtor. Rather, as further explained below, these creditors will receive payments from the third party borrower pursuant to the terms set forth below. Provided the third party fully performs as detailed herein, the Class 9 claims shall be deemed paid, and no further sums shall be owed by Debtor. Additionally, so long as the third party makes payments and otherwise fulfills its obligations as detailed below, the Class 9 creditors shall be enjoined from taking any action against the Debtor so long as the third party from which payment is to be made in fact makes such payments and otherwise fulfills its obligations to the Class 9 creditors. Upon confirmation of the Plan, the obligations of the Debtor, any third party obligors, and the Class 9 creditors shall be governed by the applicable agreements, contracts and other documents between them, except as expressly modified by the Plan.

In the event the third party fails to perform as required below, the injunction shall be dissolved automatically, and the Allowed Claim of the Class 9 creditor shall then be treated as a General Unsecured Class 8 Allowed Claim and shall be paid in full in accordance with the treatment being afforded holders of Allowed Class 8 Claims under the Plan. The holder of a Class 9 Allowed Claim may exercise any and all available rights and remedies they may have under the applicable agreements, contracts and/or other documents and applicable law against the third party obligor to recover the balances owed in connection with their Class 9 Claims. Any amounts recovered shall serve to reduce the amount of such holder's Allowed Class 8 Claim. The Debtor's rights against any third party obligor, including for indemnification and/or contribution, are fully reserved and preserved under the Plan.

**J. Class 10, Equity Security Interests/Shareholder Claims and Rights**, holders of Equity Security interests in the Debtor will retain their Equity Security interests as modified by the Plan.

In order to improve plan feasibility, Carol Swank will be paying on account of FNB's Class 2 Allowed Secured Claim the sum of \$2,100.00 monthly until the FNB claim is paid in full. Further, Carol Swank has agreed that her post-confirmation salary will be \$ 0.00. Brian Swank has also agreed to limit his post confirmation salary to improve plan feasibility. Brian Swank has agreed that his post-confirmation salary for 2017 and 2018 will be \$ 0.00. If all obligations and payments due under the Plan are current and not in default, Brian Swank's salary for 2019 will increase to an amount not exceed \$60,000.00. Thereafter, if all obligations and payments under the Plan are current and not in default and until all obligations and payments under the Plan are fully paid and satisfied, Brian Swank's annual salary may be increased on the 1<sup>st</sup> day of January for each succeeding year by seven percent (7%).

Of note, the C Swank plan of reorganization currently provides that Carol and Brian Swank will be drawing annual salaries from C Swank for years 2017 and 2018 in the amount of \$90,000 each, until the creditors are paid in full.

Other than those salaries set forth in Section 5.4 of the Plan to which Brian and Carol Swank are entitled, the Debtor will not make any distributions, declare any dividends and/or make loans to its shareholders, members and/or equity Interest holders until all obligations and payments under the Plan have been fully paid and satisfied.

The Debtor, holders of Equity Security interests, Brian Swank, Carol Swank and C Swank, and its member, Carol Swank, stipulate, agree and acknowledge that any Claim and/or cause of action, including but not limited to, any claim for contribution and/or indemnification arising out of or relating to the payment of any obligation, debt or Claim of C Swank by the Debtor or any Claim or cause of action that may be brought under Chapter 5 of the Bankruptcy Code, that the Debtor and/or its bankruptcy estate has against them is reserved and preserved under the Plan and that the C Swank plan of reorganization will not and does not seek a discharge of any such Claim or cause of action. The Debtor, holders of Equity Security interests, Brian Swank, Carol Swank and C Swank, and its member, Carol Swank, stipulate, agree and acknowledge that until all obligations and payments under the Plan or fully paid and satisfied, they waive any passage of time from the Petition Date and otherwise agree to a tolling of any statute of limitation or statute of repose, or any similar

defense, to any and all Claims and causes of action that may be brought against them by the Debtor and/or its bankruptcy estate.

8. Are All Monthly Operating Statements Current and on File with the Clerk of Court? Yes  No  If Not, Explain:
9. Does the plan provide for releases of nondebtor parties? Specify which parties and terms of release.

The Plan also contemplates an injunction under 11 U.S.C. § 105 against holders of Claims in Class 9 from pursuing certain rights they may have under guaranties provided by Carol Swank, Brian Swank and/or C Swank. The terms of the injunction are more fully described under Section I, subsection 7(I) above. This injunction request does not apply to FNB and FNB Commercial Leasing which will enter into forbearance agreements with Carol Swank, from the enforcement of any claims against C. Swank and Carol Swank.

SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE, THE DEBTOR'S COUNSEL, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND/OR OR ITS COUNSEL (THE "EXCULPATED PARTIES") SHALL NOT HAVE OR INCUR ANY LIABILITY TO ANY HOLDER OF A CLAIM OR INTEREST OR ANY OTHER PARTY FOR ANY ACT OR OMISSION IN CONNECTION WITH, RELATED TO, OR ARISING OUT OF, THE DEBTOR'S CHAPTER 11 CASE AND THE PLAN, THE PURSUIT OF CONFIRMATION OF THE PLAN, THE CONSUMMATION OF THE PLAN, OR THE ADMINISTRATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN; PROVIDED THAT THE EXCULPATED PARTIES SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES UNDER THE PLAN; PROVIDED FURTHER THAT NOTHING IN THE PLAN SHALL, OR SHALL BE DEEMED TO, RELEASE THE EXCULPATED PARTIES, OR EXCULPATE THE EXCULPATED PARTIES WITH RESPECT TO THEIR RESPECTIVE OBLIGATIONS OR COVENANTS, IF ANY, ARISING PURSUANT TO THE PLAN AND NOTHING IN THE PLAN SHALL BE DEEMED TO RELEASE THE EXCULPATED PARTIES, OR EXCULPATE THE EXCULPATED PARTIES, WITH RESPECT TO WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. NOTHING HEREIN SHALL EXCUSE ANY PROFESSIONAL RETAINED IN THE DEBTORS' CHAPTER 11 CASES FROM SEEKING BANKRUPTCY COURT APPROVAL OF PROFESSIONAL FEES AND/OR ABIDING BY ANY BANKRUPTCY COURT ORDER REGARDING THE PAYMENT OF PROFESSIONAL FEES.

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

The Debtor will assume the following leases with C Swank for the rental of the following equipment and/or vehicles:

- a. 2011 Ford F-250; 60 payments (RF-1)

- b. 2011 Ford F250 Pick-Up; 60 payments ( RF-2)
- c. Isuzu NPR; 36 payments ( RF-5)
- d. 2012 Dodge Ram 4500; 48 payments (RF-8)
- e. 2012 Hino 238; 48 payments ( RF-11)
- f. 2013 Dodge Ram 550; 60 payments with \$950.00 monthly ( RF-16)
- g. 2013 Peterbilt, ( RF 20)
- h. 2012 Dodge Ram 2500; 48 payments RF-21)
- i. 2012 Peterbilt 388; 60 payments with \$3000.00 monthly ( RF-23)
- j. 2013 International 5900i; 60 payments with \$3750.00 monthly (RF-24)
- k. 2012 Peterbilt; 60 payments with \$3500.00 monthly ( RF-25)
- l. 2013 Dodge Ram ( RF 26)
- m. 2012 Peterbilt 388; 60 payments with 26 months remaining (RF- 28)
- n. 2012 Peterbilt 388; 60 payments with \$3500.00 monthly (RF- 29)
- o. 2013 Dodge Ram 5500; 60 payments with \$950.00 monthly (RF-31)
- p. 2012 Peterbilt 388; 60 payments with \$3500.00 monthly (RF-32)
- q. 2013 International 5900i; 60 payments with \$3500.00 monthly (RF-33)
- r. 2013 Peterbilt 388; 60 payments with \$4000.00 monthly (RF- 35)
- s. 2013 Peterbilt 388; 60 payments with \$4000.00 monthly (RF-36)
- t. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-37)
- u. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-38)
- v. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-39)
- w. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-40)
- x. 2015 Peterbilt 388; 60 payments with \$4000.00 monthly (RF-41)
- y. 2014 Ram 5500; 60 payments with \$1500.00 monthly (RF-43)
- z. 2014 Ram 5500; 60 payments with \$1,500.00 monthly (RF-44)
- aa. 2014 Peterbilt 337; 60 payments with \$3500 monthly (RF-45)
- bb. 2015 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-50)
- cc. 2012 Peterbilt 388; 60 months with \$3500.00 monthly ( RF-51)
- dd. 2012 Peterbilt 388; 60 payments with \$ 4250.00 monthly ( RF-52)
- ee. 2012 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-53)
- ff. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-54)
- gg. 2012 Peterbilt 388; 48 payments with \$4250.00 monthly (RF-55)
- hh. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-56)
- ii. 2013 Peterbilt 388; 60 payments with \$4,250.00 monthly (RF-57)
- jj. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-61)
- kk. 2013 Peterbilt 388; 60 Payments with \$4250.00 monthly (RF-62)
- ll. 2015 Peterbilt 367; 60 payments with \$4250.00 monthly (RF-64)
- mm. 2014 International 5900i's; 60 payments with \$5000.00 mthly (RF-65)
- nn. 2014 International 5900i's; 60 payments with \$5000.00 mthly (RF- 66)
- oo. 2014 Peterbilt 367; 36 payments with \$5000.00 monthly (RF-69)
- pp. 2013 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-70)
- qq. 2015 International 5900i; 36 payments \$5000.00 monthly (RF-71)
- rr. 2014 Peterbilt 567; 36 payments with \$5000.00 monthly (RF-72)
- ss. 2016 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-73)
- tt. 2016 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-74)
- uu. 2016 Peterbilt 389; 48 payments with \$5000.00 monthly (RF-75)

- vv. 2016 Peterbilt 367; 60 payments with \$5000.00 monthly (RF-76)
- ww. 2016 Peterbilt 367; 60 payments with \$5000.00 monthly (RF-77)
- xx. 2016 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-78)
- yy. 2015 Peterbilt 389; 48 payments with \$5000.00 monthly (RF-80)
- zz. 2016 Peterbilt 389 (RF-81)
- aaa. 2016 Peterbilt 389; 48 payments with \$5000.00 monthly (RF-82)
- bbb. 2016 Peterbilt 367; 36 payments with \$5000.00 monthly (RF-83)
- ccc. 2016 Peterbilt 389S; 36 payments with \$5000.00 monthly (RF-84)
- ddd. 2016 Peterbilt 389S; 36 payments with \$5000.00 monthly (RF-85)
- eee. 2013 Aspen Trail; 12 payments
- fff. 2015 Alpine 5<sup>th</sup> Wheel; 36 payments with \$1500.00 monthly

These leases will be assumed by the Debtor on the Effective Date of the Plan. The terms and conditions of the leases shall be modified by the Plan to provide that the Debtor shall be obligated to pay to C Swank in consideration of the lease of said equipment and/or vehicles the sum of \$167,758 on the Effective Date and thereafter monthly rental payments of \$105,610 for 83 consecutive months. When the Allowed Secured Claim of FNB is paid in full, the monthly rental payment owed by the Debtor to C Swank shall be reduced dollar for dollar by the amount of any debt service C Swank was obligated to pay to FNB pursuant to the C Swank plan of reorganization on account of FNB's Allowed Secured Claim until such time as all obligations and payments under the Plan are paid in full and satisfied.

**Deleted:** the monthly rental payment of \$105,610.00 for 83 consecutive months.

The Debtor will assume the following unexpired leases of non-residential real estate on the Effective Date of the Plan:

- a. 10 Industrial Park Drive, Carmichael, PA 15320, Landlord – Bravo Charlie

The Debtor and a related entity, Bravo Charlie, LLC, are parties to a Net Lease dated June 1, 2016, pursuant to which the Debtor is renting space from Bravo-Charlie, LLC. Confirmation of the Plan shall constitute an assumption of this lease, without modification, except that Bravo-Charlie, LLC, shall be deemed to have waived any claims for unpaid rent arising prior to the Effective Date. Bravo-Charlie, LLC, shall retain any claims for unpaid rent arising after the Effective Date. Bravo-Charlie, LLC, has consented to this treatment and has agreed not to assert any Claim or otherwise.

- b. 1693 Route 56, Spring Church, PA 15686, Landlord – Kathryn Corcetti

The Debtor will assume this lease and cure the pre-petition arrears of \$22,165.29 on the Effective Date.

- c. 61530 Bailey Road, Barnesville, OH 43712, Landlord – Deborah Kaiser

The Debtor will assume this lease and cure the pre-petition arrears of \$12,300.00 on the Effective Date. (\$10,500.00 [POC # 42- pre-petition] and \$ 1,800.00 post-petition)

- d. 955 Canyon Road, Morgantown, WV, Landlord -Twins LLC

The Debtor will assume this lease on the Effective Date of the Plan. There are no pre-petition or post-petition arrears on this lease.

The Debtor will assume the following executory contract:

f. Comdoc copier lease- Assumed

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The Debtor will cure the pre-petition arrears of \$1,115.12 on the Effective Date.

- 11. Has a bar date been set? Yes X 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(c) has been filed with the Court to be treated as a small business? Yes \_\_\_ No X
- 13. Specify property that will be transferred subject to 11 U.S.C. §1146(c).  
NONE

**II. Creditors**

**A. Secured Claims – Classes 2, 3, 4 and 5**

**SECURED CLAIMS**

Creditor	Total Amount Owed	Arrearage	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)
First National Bank	\$2,474,850.23, plus any accrued and unpaid interest, costs and fees, including reasonable attorney fees and costs, and less any adequate protection payments made by the Debtor or C Swank that have accrued or been paid from September 12, 2017 up to the Effective Date of the Plan	Not Applicable	1 <sup>st</sup> lien in the personal property assets of the Debtor, including inventory, chattel paper, accounts, receivable, equipment, documents and general intangibles, as well as, certain titled motor		Yes, As Modified by the Plan

			vehicles		
Ally Bank POC # 8	\$24,113.32	Not Applicable	2014 Ram 2500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Ally Bank POC # 9	\$32,091.29	Not Applicable	2014 Ram 5500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Ally Bank POC # 10	\$21,599.63	Not Applicable	2014 Jeep Wrangler	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Ally Bank POC # 11	\$13,427.10	Not Applicable	2014 Dodge Caravan	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Chrysler Capital POC # 5	\$18,067.69	Not Applicable	2014 Ram 2500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Chrysler Capital POC # 6	\$18,070.99	Not Applicable	2014 Ram 2500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Chrysler Capital POC # 7	\$24,571.19	Not Applicable	2014 Ram 1500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan

Chrysler Capital	\$26,487.30	Not Applicable	2015 Ram 1500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
JP Morgan Chase Bank N.A. POC # 22	\$16,012.11	Not Applicable	2014 Subaru	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
<b>TOTAL SECURED CLAIMS</b>	<b>\$2,928,629.39</b>				

**B. Priority Claims – Class 6**

**PRIORITY CLAIMS**

Creditor	Total Amount Owed	Basis of Claim	Disputed (D) Liquidated(L) Unliquidated(U)
Berkheimer	\$8,377.77	Local Withholding	Disputed
Berkheimer	\$1,077.00	LST Tax	Disputed
Internal Revenue Service • POC # 17- Disputed-unassessed liabilities	\$308,962.20	Taxes	Disputed
Office of UC Tax Services	\$43,306.87	PA UC Fund-Employer Portion	Disputed
Office of UC Tax Services	\$1,354.69	Employee Withholding	Disputed
OH Department of Job and Family Services	\$13,009.30	OH Unemployment	Disputed
OH Dept. of Taxation	\$15,244.78	OH Withholding	Disputed
PA Department of Labor POC	\$39,549.37	PA Withholding	
PA Department of Revenue POC # 13-	\$78,052.90	PA Withholding	
Unemployment Compensation Division	\$217.38	WV Unemployment	Disputed
WV State Tax Department- Disputed	\$7,989.00	WV Withholding	Disputed
<b>TOTAL PRIORITY CLAIMS</b>	<b>\$517,141.26</b>		

**C. General Unsecured Claims, Essential Creditors – Class 7**

Creditor	Class	Total Pre-Petition Amount Owed/Cure Amount	Percent of Dividend
Guttman Oil- POC #18	7	\$76,378.51	100%
Jacobs Petroleum Products, Inc. POC # 41	7	\$63,617.18	100%
Hunter's Truck Sales & Service Inc.- POC # 43	7	\$64,061.85	100%
<b>TOTAL ESSENTIAL CREDITOR CLAIMS</b>		<b>\$ 204,057.54</b>	

**D. General Unsecured Claims – Class 8**

**Small Claims**

Creditor	Class	Total Amount Owed	Percent of Dividend
Advanced Auto Parts	8	\$596.18	100%
BUY DMI Inc.	8	\$37.17	100%
City of Salem	8	\$64.45	100%
Cleaning Systems	8	\$100.00	100%
Curry Supply	8	\$2,405.20	100%
Diamond Oil Services	8	\$2,450.00	100%
Ernie's Waste Oil	8	\$120.00	100%
Frontier	8	\$127.13	100%
Galloway	8	\$60.96	100%
Guardian Life Insurance - POC # 34	8	\$2,384.86	100%
Hartman Drug and Health	8	\$145.00	100%
IPFS Corporation-Disputed	8	\$1,481.69	100%
J&J Chemical-Disputed	8	\$1,215.00	100%
KLX Energy Services	8	\$347.68	100%
Kleese Development Associates	8	\$352.00	100%
MAG Trucking Inc.	8	\$521.85	100%
Mason's Depot & Filling Station	8	\$47.00	100%
Moundsville Sanitary Authority	8	\$2,069.82	100%
Ohio Valley Hospital	8	\$1,425.00	100%
Peoples Natural Gas Co.- POC # 24	8	\$479.59	100%
Pop-A-Lock of Pittsburgh	8	\$241.15	100%
Robinson Vacuum Tanks, Inc.	8	\$1,080.00	100%
Safety Kleen	8	\$974.66	100%
Schwab MFG & Environmental Supply	8	\$1,942.80	100%
Southwest Regional Medical Center	8	\$20.00	100%

Square One Marketing	8	\$334.88	100%
Straight-N-Clear	8	\$1,160.00	100%
Uniontown Auto Spring Co.	8	\$945.52	100%
Verizon Wireless	8	\$2,454.00	100%
Vision Benefits of America	8	\$394.40	100%
Washington Health Systems-Greene	8	\$97.00	100%
Wayne Lumber Company	8	\$258.62	100%
West Penn Power POC #19	8	\$2,012.78	100%
Windstream	8	\$860.23	100%
<b>TOTAL SMALL CLAIMS</b>		<b>29,206.62</b>	

**Claims that Exceed \$2,500**

<b>Creditor</b>	<b>Class</b>	<b>Total Amount Owed</b>	<b>Percent of Dividend</b>
Advanced Auto Parts	10	\$ 596.18	100%
Apex Energy Services, LLC	10	\$8,120.00	100%
Appalachian Water Services, LLC- POC # 36- Disputed	10	\$6,254.00	100%
BDI	10	\$2,697.38	100%
Burns Drilling & Excavating	10	\$2,760.00	100%
BUY DMI Inc.	10	\$37.17	100%
City of Salem	10	\$64.45	100%
Cleaning Systems	10	\$100.00	100%
Cambrian Well Services- POC # 23- <i>Not Listed*</i>	10	\$4,748.09	100%
Cumberland Truck Parts	10	\$13,607.16	100%
Curry Supply	10	\$2,405.20	100%
D.D.T.A. Services Inc.	10	\$3,071.50	100%
Diamond Oil Services	10	\$2,450.00	100%
Dr. Robert Corcetti	10	\$62,891.77	100%
E&R Energy Services	10	\$23,167.00	100%
Erie Indemnity Company POC # 4 (disputed audit liability)	10	\$243,570.72	100%
Ernie's Waste Oil	10	\$120.00	100%
First National Bank of PA POC # 1	10	\$7,516.91	100%
Fleet Pride Truck & Trailer Parts	10	\$5,274.02	100%
Fleetmatics USA LLC	10	\$2,645.76	100%
Franklin Township Sewer Authority- Disputed	10	\$4,077.60	100%
Frontier	10	\$127.13	100%
Galloway	10	\$60.96	100%
Guardian Life Ins. POC# 34	10	\$2,384.86	100%
Good Tire Service, Inc.	10	3,103.00	100%

Greene County Water Treatment, LLC	10	\$2,892.50	100%
Hartman Drug and Health	10	\$145.00	100%
Highmark Blue Shield POC # 14- Disputed	10	\$105,438.63	100%
Hinerman Automotive Inc.	10	\$2,607.90	100%
IPFS Corporation- Disputed	10	\$1,481.69	100%
Iron City Industrial Cleaning Corp. –POC # 39- Disputed – Not Listed*	10	\$57,772.32	100%
J & E Sanitation- Disputed-POC # 40	10	\$111,082.30	100%
J&J Chemical-Disputed	10	\$1,215.00	100%
KLX Energy Services	10	\$347.68	100%
JM Teagarden	10	\$4,165.28	100%
Keystone Spring Services Inc.	10	\$2,964.21	100%
Kimble Landfill-POC # 25	10	\$12,260.66	100%
Kleese Development Associates	10	\$352.00	100%
L.A.D./Hapchuck Inc.	10	\$19,038.75	100%
Liquid Waste Solidification- POC # 33	10	\$17,425.56	100%
MB & Companies, Inc. POC # 16	10	\$9,742.87	100%
M&M Pump & Supply	10	\$5,318.68	100%
MAG Trucking Inc.	10	\$521.85	100%
Thomas Mason & Anthony Mason- POC # 12	10	\$37,100.00	100%
Mason's Depot & Filling Station	10	\$47.00	100%
Med Express	10	\$8,514.50	100%
Model Uniforms- Disputed	10	\$18,795.03	100%
Moundsville Sanitary Authority	10	\$ 2069.82	100%
Ohio Valley Hospital	10	\$1,425.00	100%
Peoples Natural Gas Co. LLC –POC # 24	10	\$479.59	100%
Pop-A-Lock of Pittsburgh	10	\$241.15	100%
Robinson Vacuum Tanks, Inc.	10	\$1,080.00	100%
Safety Kleen	10	\$974.66	100%
Schwab MFG & Environmental Supply	10	\$1,942.80	100%
Sherrard German, & Kelly, P.C.- POC # 37	10	2,967.39	100%
Sommer Law Group, PC POC # 20	10	\$2,984.56	100%
Southwest Regional Medical Center	10	\$20.00	100%
Square One Marketing	10	\$334.88	100%
Straight-N-Clear	10	\$1,160.00	100%
Tri-County Joint Municipal Authority- Disputed	10	\$9,937.67	100%
Uniontown Auto Spring Co.	10	\$945.52	100%
UPMC Health Network-Disputed	10	\$14,833.54	100%
US Tank and Supply	10	\$2,720.77	100%
Verizon Wireless	10	\$2,454.00	100%
Vision Benefits of America	10	\$394.40	100%
Washington Health Systems-Greene	10	\$97.00	100%

Washington Water Service, LLC- POC # 35	10	\$14,178.94	100%
Wayne Lumber Company	10	\$258.62	100%
West Penn Power POC # 19	10	\$2,012.78	100%
Windstream	10	\$860.23	100%
<b>TOTAL UNSECURED CLAIMS THAT EXCEED \$2,500</b>		<b>\$885,453.59</b>	

**E. Other Classes of Creditors-Contingent Claims- Class 9**

Creditor	Class	Total Amount Owed	Percent of Dividend
First Commonwealth Bank-POC # 15	11	\$750,963.36	No Dividend
Paccar Financial Corp –POC # 2	11	\$ 138,330.87	No Dividend
Paccar Financial Corp –POC # 3	11	\$ 379,273.52	No Dividend
TCF Equipment Finance- POC # 21	11	\$ 325,682.99	No Dividend
GE Navistar Capital	11	\$ 99,698.56	No Dividend
<b>TOTAL CONTINGENT CLAIMS</b>		<b>\$1,693,949.30</b>	

**f. Other Classes of Interest Holders – Class 10**

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

**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)
Citizens Bank	\$113,255.27	Actual Value	First National Bank of PA	0.00
FNB-Operating A/C-0722	\$2,977.93	Actual Value	First National Bank of PA	0.00
FNB- Payroll A/C-6312	\$0	Actual Value	First National Bank of Pa	0.00
FNB Waynesburg A/C- 0739	\$0.86	Actual Value	First National Bank of PA	0.00
Accounts Receivable	\$2,303,743.42	Debtor's Opinion in the Bankruptcy Schedules	First National Bank Of PA	0.00
Inventory	\$5,318.00	Debtor's Opinion in the Bankruptcy	First National Bank of PA	0.00

		Schedules		
Office Equipment	\$5,000	Debtor's Opinion in the Bankruptcy Schedules	First National Bank of PA	0.00
2014 Ram 2500 Vin: 6360	\$12,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Dodge Caravan Vin: 5509	\$5,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Jeep Wrangler Vin: 5827	\$10,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Ram 5500 Vin: 7679	\$18,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Ram 2500 Vin:6558	\$8,000	Debtor's Opinion in the Bankruptcy Schedules	Chrysler Capital	0.00
2014 Ram 2500 Vin: 5901	\$8,000	Debtor's Opinion in the Bankruptcy Schedules	Chrysler Capital	0.00
2014 Ram 1500 Vin: 5595	\$10,000	Debtor's Opinion in the Bankruptcy Schedules	Chrysler Capital	0.00
2014 Subaru Vin: 8021	\$7,000	Debtor's Opinion in the Bankruptcy Schedules	Subaru Financial	0.00
2014 Ram 2500 Vin: 6360	\$12,000	Debtor's Opinion in the Bankruptcy Schedules		0.00
2015 Ram 1500 Vin: 4922	\$12,000	Debtor's Opinion in the Bankruptcy Schedules	Chrysler Capital	0.00
Dumpsters and Portable Johns, porta John Trailers and porta John equipment	\$30,000	Debtor's Opinion in the Bankruptcy Schedules	First National Bank of PA	0.00
2004 Ford F-250	\$1,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$1,500.00
2005 Isuzu Workmate 800	\$ 2,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 2,500.00
2005 Isuzu Workmate 1250	\$ 3,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	3,000.00
2005 Ford F-250	\$ 1,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	1,500.00

		Schedules		
2007 Ford F-450 w/ tank	\$ 2,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	2,500.00
2007 Ford Focus	\$ 1,200.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 1,200.00
International Vacuum Truck	\$ 5,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	5,000.00
2008 Ford F-550	\$ 2,900.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 2,900.00
2008 Chrysler Aspen	\$ 3,600.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 3,600.00
2010 Ford F-550	\$ 3,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	3,500.00
2010 Isuzu Truck	\$ 5,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 5,000.00
J&E Trucks – 2004 Chevy 2500 HD w/450 gallon tank	\$ 1,200.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 1,200.00
J&E Trucks –2004 GMC 5500 w/850 gallon progress tank	\$ 4,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 4,000.00
J- Town Trucks 1998 International Truck	\$5,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$5,500.00
	\$2,605,195.48 TOTAL			\$42,900.00 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. NO

**IV. SUMMARY OF PLAN**

1. **Effective Date of Plan:** 15 days following entry of the order confirming the Plan.
2. **Will cramdown be sought?**  Yes  No  
**If Yes, state bar date:** The Hearing on the Confirmation of the Plan,
3. **Treatment of Secured Non-Tax Claims – Classes 2, 3, 4 and 5 - Impaired – Entitled to Vote**

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Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
First National Bank of PA	2	\$2,474,850.23, plus any accrued and unpaid interest, costs and fees, including reasonable attorney fees and costs, and less any adequate protection payments made by the Debtor or C Swank that have accrued or been paid from September 12, 2017 up to the Effective Date of the Plan	<p>The first payment of \$14,371.06 will be made to FNB on the Effective Date of the Plan (the "Initial Payment") (until that date, the Debtor shall continue to pay FNB each month the adequate protection payments agreed to by the parties and approved by the Court.) Thereafter, FNB's Allowed Secured Claim will be paid in full over time at a fixed interest rate of five percent (5%) per annum with monthly minimum payments of \$14,371.06 being paid on the 15th day of each month beginning in the month immediately following the month in which Initial Payment is made. All payments made by the Debtor shall be applied first to the loans in which the Debtor is the Borrower allocated amongst such loans by FNB in its sole discretion, and, second, to the loans in which the Debtor is a guarantor allocated amongst such loans by FNB in its sole discretion. Until the Effective Date, the Debtor shall continue to pay to FNB the monthly adequate protection payments agreed to by the parties and approved by the Court.</p> <p>Notwithstanding any other provision in this Disclosure Statement and the Plan, all of FNB's liens and judgments are retained. The obligations, terms, and conditions set forth in FNB's Loan Documents including the notes, loan agreements, security agreements and</p>

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guaranties judgments and any other documents with the Debtors are reinstated and reaffirmed unless otherwise modified and amended by the Plan and shall remain in full force and effect. FNB shall be paid its reasonable attorneys' fees and costs pursuant to 11 U.S.C. §506(d) as it is fully secured. The treatment of FNB's Allowed Secured Claim shall not in any manner discharge, or affect the rights and claims of FNB against any other persons or entities or the obligations of any person or entity to FNB with respect to the indebtedness owed to FNB, including C Swank and Carol Swank. Upon confirmation of the Plan, all pre-confirmation defaults will be waived by FNB.

Pursuant to the C Swank plan of reorganization, FNB's allowed Secured Claim will be paid in full by C Swank at a fixed interest rate of five percent (5%) per annum with monthly minimum payments of \$30,497.11 paid on the 15th day of each month.

To be free of doubt, the total amount due and payable to FNB, whether paid under this Plan or the C Swank plan of reorganization, or a combination of both, is the amount equal to its Allowed Secured Claim as of the Effective Date of the Plan and the C Swank plan of reorganization.

Also on account of the FNB Allowed Secured Claim, Carol Swank, the principal of the Debtor, and a co-borrower or guarantor on the FNB loans, will contribute \$2,100.00 a month to FNB on the Effective Date of the Plan, which payment shall be applied by FNB to its Allowed Secured Claim.

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			At least fifteen (15) days prior to the end of any 3 month period following the Effective Date and continuing until the Allowed Secured Claim of FNB and the Allowed Claims in Class 8 are paid in full, the Debtor shall prepare a budget setting forth the necessary reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions, income taxes and payment of administrative claims of Professionals which it intends to retain for each 3 month period. This budget shall be provided to FNB and counsel for the Committee, John M. Steiner. In the event there are excess funds available at the end of the subject 3 month period in excess of the budgeted amounts for the reserves, the Reorganized Debtor will use all such cash reserves to pre-pay the class 2 claims of First National Bank of Pennsylvania, and once paid in full, to pay the Allowed Claims in Class 8. 5
Ally Financial POC # 11	3	\$13,427.10	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Ally Financial POC # 10	3	\$21,599.63	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Ally Financial POC # 9	3	\$32,091.29	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Ally Financial POC # 8	3	\$24,113.32	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be

<sup>5</sup> Substantively the FNB Loans shall remain as separate loans with FNB.

			retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital POC # 6	3	\$18,070.99	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital POC # 5	3	\$18,067.69	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital POC # 7	3	\$24,571.19	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital	4	\$26,487.30	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
JP Morgan Chase Bank POC # 22	5	\$16,012.11	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
<b>TOTAL</b>		<b>\$2,928,629.39</b>	

**4. Treatment of Secured Tax Claims**

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
NONE			

**5. Treatment of Administrative Non-Tax Claims – Class 1 – Unimpaired – Not entitled to Vote.**

Name of Creditor *	Amount Owed	Type of Debt **	Summary of Proposed Treatment and Date of First Payment
Calaiaro Valencik	\$ <u>125,000.00</u> -estimate	Attorney for Debtor Fees	To be paid in full on the Plan Effective Date or as parties agree.
John Steiner, Esq. atty for the Official Committee of unsecured creditors	\$120,000.00-estimate	Attorney for the Official Committee of Unsecured Creditors	To be paid in full on the Plan Effective Date or as parties agree.
United States Trustee	\$ 6,250.00-	Court Costs	To be paid in full on the Plan Effective

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	estimate		Date.
Matt Tymoczko, CPA/ C & H Accounting.	\$ 30,000.00-estimate	Accountant for the Debtor	To be paid in full on the Plan Effective Date.
TOTAL	\$ 261,250.00		

**\* Identify and Use Separate Line for Each Professional and Estimated Amount of Payment**  
**\*\* Type of Debt (P=Professional, TD=Trade, TX=Taxe)s**

**6. Treatment of Administrative Tax Claims**

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

**7. Treatment of real estate and personal property lease claims**

Name of Lessor	Amount of Arrears	Assumed or Rejected	Summary of Proposed Treatment and Date of First Payment
Bravo Charlie, LLC-10 Industrial Park Drive, Carmichael, PA 15320	Arrears waived under the Plan	Assumed	The Debtor and a related entity, Bravo Charlie, LLC, are parties to a Net Lease dated June 1, 2016, pursuant to which the Debtor is renting space from Bravo-Charlie, LLC. Confirmation of the plan shall constitute an assumption of this lease, without modification, except that Bravo-Charlie, LLC, shall be deemed to have waived any claims for unpaid rent arising prior to the Effective Date. Bravo-Charlie, LLC, shall retain any claims for unpaid rent arising after the Effective Date. Bravo-Charlie, LLC, has consented to this treatment and has agreed not to assert any claim or otherwise. The Debtor will pay all future lease payments as required by the lease.
Kathryn Corcetti-1693 Route 56, Spring Church, PA 15686	\$ 22,165.29	Assumed	The Debtor will assume this lease and cure the prepetition arrears of \$22,165.29 on the Plan Effective Date. The Debtor will pay all future lease payments as required by the lease.
Deborah Kaiser	\$ 12,300.00	Assumed	The Debtor will assume this lease and cure the prepetition arrears of \$12,300.00 on the Plan Effective

			Date. (\$10,500.00 [POC # 42- pre-petition] and \$ 1,800.00 post-petition). The Debtor will pay all future lease payments as required by the lease.
Thomas Mason	\$37,100.00	Rejected	Thomas Mason, the holder of a rejected lease claim has filed a rejection claim, POC # 12. This claim shall be treated as a General Unsecured Class 8 Claim.
Twins LLC	Current	Assumed	The Debtor will assume this lease and pay all future lease payments as required by the lease.
Comdoc	1,115.12	Assumed	The Debtor will assume this lease and cure the prepetition arrears of \$1,115.12 on the Plan Effective Date. The Debtor will pay all future lease payments as required by the lease.
Total Cure Amount	\$35,580.41		

**8. Treatment of Priority Non-Tax:**

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
NONE			

**9. Treatment of Priority Tax Claims – Class 6 – Impaired – Entitled to Vote**

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
Berkheimer	6	\$8,377.77		Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
Berkheimer	6	\$1,077.00		Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
Internal Revenue Service POC # 17-amended (Includes unassessed liabilities)- Disputed	6	\$308,962.20		Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
Office of UC Tax Services	6	\$43,306.87		Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest

Office of UC Tax Services	6	\$1,354.69	Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
OH Dept. of Job & Family Services	6	\$13,009.30	Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
OH Dept. of Job of Taxation	6	\$15,244.78	Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
PA Department of Labor –	6	\$39,549.37	Will be paid in full over 5 years from the Effective Date with 4% post - confirmation interest
PA Department of Revenue – Amended POC # 13-	6	\$78,052.90	Will be paid in full over 5 years from the Effective Date with 4% post - confirmation interest
WV Unemployment Compensation	6	\$217.38	Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
WV State Tax Department- Disputed	6	\$7,989.00	Will be paid in full over 5 years from the Effective Date with 3% post - confirmation interest
<b>TOTAL</b>		<b>\$517,141.26</b>	

**10. Treatment of Essential General Unsecured Non-Tax Claims - Class 7 – Impaired – Entitled to Vote**

The Debtor is assuming any executory contracts with holders of Claims in Class 7. The Debtor will cure all pre-bankruptcy obligations, less any amounts already paid to a holder of a Claim in Class 7 during the Bankruptcy Case on account of their Pre-Petition Claim and pursuant to order entered by the Bankruptcy Court, to each Class 7 member in monthly payments over a 24 month period. As part of the agreement to assume the contracts with Holders of Class 7 Claims, the members in Class 7 agree to extend the Debtor their premium wholesale pricing and credit terms available to premium customers. This arrangement shall continue for the life of the Plan provided the Debtor adheres to the payment terms for post-petition purchases and the Debtor pays the “Cure” payments as required by the Plan. Upon the occurrence of any default, any Class 7 member shall provide notice to the Debtor. After notice, the Debtor shall have 5 (five) business days to cure any default. If no cure is timely made, then that Class 7 member shall be permitted to terminate the preferred pricing and preferred credit terms. The Class 7 member who has declared a default shall nonetheless be entitled to receive the balance of the “Cure” payments and it shall be entitled to assert any claims or damages for any failure to pay the Class 7 member for any unpaid post-petition charges. These parties have contracts with the Debtor and the Plan assumes these contacts under this Plan. The Assumption will be effective on the Date of the Confirmation of the Plan.

Guttman Oil is a party to an executory contract with the Debtor. The Bankruptcy Court previously assumed the assumption of that contract and this plan treatment is in accordance with the prior Order approving that assumption.

Prior to the hearing on confirmation of the Plan, any Class 7 member may opt out of

Class 7 treatment and the assumption of its agreement by providing the Debtor and its counsel with a written letter indicating that said creditor will opt out of the Class 7 treatment. If such letter is received by the Debtor prior to the hearing on confirmation of the Plan, then said creditor's ballot, if cast, shall be tabulated and treated in accordance with Holders of Claims in Class 8.

This class may vote upon on the plan because they are impaired under the plan and they have a right of adequate assurance of the future performance of their contracts.

**11. Treatment of General Unsecured Non-Tax Claims - Class 8 – Impaired – Entitled to Vote**

Holders of Allowed General Unsecured Claims will be paid the full amount of their claim, without interest, over seven (7) years. The Plan breaks this class into two subclasses. Small Claims less than \$2,500.00 and claims that exceed \$2,500. Holders of Allowed Small Claims will be paid in full in 12 monthly installments with the first payment due on the Effective Date and then every month thereafter for the next 11 months beginning on the 15<sup>th</sup> day of the month immediately following the month in which the Effective Date occurs.

Holders of Allowed Claims in Class 8 that are in excess of the Small Claim amount will be paid in full over 7 years in 28 quarterly installments. On the Effective Date, the Debtor will pay to the Disbursing Agent the first quarterly installment (the "Class 8 First Quarterly Installment"). The Debtor shall then make 27 quarterly installment payments to the Disbursing Agent with the first quarterly installment to be made on the 1<sup>st</sup> business day of the month following the first full quarter computed on a calendar year basis after the Class 8 First Quarterly Installment has been made. The Debtor shall then make another 26 quarterly payments to the Disbursing Agent computed on a calendar year basis on the 1<sup>st</sup> business day of each month following the end of a quarter. By way of example, if the Class 8 First Quarterly Installment is made on November 15, 2017, the first full quarter computed on a calendar year basis following the Class 8 First Quarterly Installment would be the 1<sup>st</sup> quarter of 2018. Thus, the first of the 27 quarterly installments would be paid on April 2, 2018, and then on the 1<sup>st</sup> business day of the month following the next 26 quarters computed on a calendar year basis (i.e. July 12 2018, October 1, 2018, January 2, 2019, etc.). The amount of the quarterly installments necessary to pay in full ~~the~~ Allowed Class 8 Claims and to make the appropriate payment into a reserve for holders of Disputed Claims in Class 8, shall be determined at or prior to the hearing on confirmation of the Plan. ~~After~~ receiving a quarterly installment payment, the Disbursing Agent shall as soon as practicable, make pro rata distributions to holders of Allowed Claims in Class 8 and make payment into the Disputed Claim Reserve, as necessary and applicable.

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The Disbursing Agent shall escrow in his IOLTA trust account any funds due to a holder of a Disputed Class 8 Claim (the "Disputed Claim Reserve") until said Claim has become an Allowed Claim, at which time the Disbursing Agent shall then release the pro rata amount held in the Disputed Claim Reserve to the holder of such Class 8 Claim in an amount consistent with the provisions of the treatment of holders of Allowed Class 8 Claims under the Plan.

Prepayment Option and Discount. The Debtor may prepay holders of Allowed Class 8 Claims at any time after the Effective Date provided that: (i) FNB's Class 2 Allowed Secured Claim is

paid in full; and (ii) provided the payment is to the entire Class 8. The Debtor shall be entitled to a discount when creditors in class 8 are paid sooner than is required by this Plan. The Debtor shall be entitled to deduct 0.5% from the remaining amount owed to a particular holder of an Allowed Class 8 Claim for each month that said holder is paid ahead of schedule. (i.e. if the Debtor pays in full holders of Class 8 Claims in 22 months ahead of schedule, the Debtor gets an 11% discount of the then remaining amount due under the Plan). The Debtor, through the Disbursing Agent, shall notify holders of Allowed Class 8 Claims in writing prior to exercising the option to pay in full the Allowed Class 8 Claims at a discount (the "Prepayment Option Letter"). The Prepayment Option Letter shall afford holders of Allowed Class 8 Claims the option to accept the prepayment (at a discount) or continue to receive their respective quarterly payments as provided under the Plan. The Prepayment Option Letter shall contain a form to be returned to the Disbursing Agent within ten (10) business from the holder's receipt of the Prepayment Option Letter requesting that the holder of a Class 8 Allowed Claim indicate whether it will opt-in or opt-out of the prepayment option. The Prepayment Option Letter shall also provide the amount the holder of the Allowed Class 8 Claim will receive in full satisfaction of its Allowed Class 8 Claim (less the appropriate discount) if selecting the prepayment option. Failure of a holder of an Allowed Class 8 Claim to respond to the Prepayment Option Letter shall be treated as if the holder of the Allowed Class 8 Claim opted-out of the prepayment option.

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Excess Funds after the Payment of FNB' Allowed Secured Claim. At least fifteen (15) days prior to the end of any 3 month period following the Effective Date and continuing until the Allowed Secured Claim of FNB and the Allowed Claims in Class 8 are paid in full, the Debtor shall prepare a budget setting forth the necessary reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions, income taxes and payment of administrative claims of Professionals which it intends to retain for each 3 month period. This budget shall be provided to FNB and counsel for the Committee, John M. Steiner. In the event there are excess funds available at the end of the subject 3 month period in excess of the budgeted amounts for the reserves, the Reorganized Debtor will use all such cash reserves to pre-pay the class 2 claims of First National Bank of Pennsylvania, and once the Class 2 Claim is paid in full, to pay the Allowed Claims in Class 8.

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Other than those salaries set forth in Section 5.4 of the Plan to which Brian and Carol Swank are entitled, the Debtor will not make any distributions, declare any dividends and/or make loans to its shareholders, members and/or equity Interest holders until all obligations and payments under the Plan have been fully paid and satisfied.

**12. Treatment of General Unsecured Tax Claims:**

Creditor	Class	Total Amount Owed	Percent of Dividend
IRS POC # 17- penalty claim without pecuniary loss	8	\$14,442.92	No Dividend
PA DOR #13	8	\$4,663.15	100%, Treated as Class 8 Claim

TOTAL	\$19,106.07
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**13. Treatment of Holders of Contingent Claims Arising from Guaranties of the Debtor – Class 9 - Impaired – Entitled to Vote**

The members of Class 9 loaned money to one or more third parties who are related to or affiliated with the Debtor, and Debtor guaranteed the third party's obligations to the creditor in connection with those loans. Class 9 excludes FNB which has its Allowed Secured (guaranty) Claims treated in Class 2. Holders of Allowed Class 9 Claims will retain their Allowed Claims against the Debtor and any third party who is liable for such debt and such Claim shall not be deemed discharged as to the Debtor or any third party who may be obligated to the holder of the Allowed Class 9 Claim.

However, this Plan does not contemplate any distribution to such creditors by the Debtor. Rather, as further explained below, these creditors will receive payments from the third party borrower pursuant to the terms set forth below. Provided the third party fully performs as detailed herein, the Class 9 claims shall be deemed paid, and no further sums shall be owed by Debtor. Additionally, so long as the third party makes payments and otherwise fulfills its obligations as detailed below, the Class 9 creditors shall be enjoined from taking any action against the Debtor so long as the third party from which payment is to be made in fact makes such payments and otherwise fulfills its obligations to the Class 9 creditors. Upon confirmation of the Plan, the obligations of the Debtor, any third party obligors, and the Class 9 creditors shall be governed by the applicable agreements, contracts and other documents between them, except as expressly modified by the Plan.

In the event the third party fails to perform as required below, the injunction shall be dissolved automatically, and the Allowed Claim of the Class 9 creditor shall then be treated as a General Unsecured Class 8 Allowed Claim and shall be paid in full in accordance with the treatment being afforded holders of Allowed Class 8 Claims under the Plan. The holder of a Class 9 Allowed Claim may exercise any and all available rights and remedies they may have under the applicable agreements, contracts and/or other documents and applicable law against the third party obligor to recover the balances owed in connection with their Class 9 Claims. Any amounts recovered shall serve to reduce the amount of such holder's Allowed Class 8 Claim. The Debtor's rights against any third party obligor, including for indemnification and/or contribution, are fully reserved and preserved under the Plan.

**14. Will periodic payments be made to unsecured creditors- Class 7 and 8**

Yes  No  First payment to begin: 15 days after entry of the Order confirming the Plan

If so:  
**Estimated Amount of each payment (aggregate to Class 7 and 8 unsecured claimants):**

Monthly Payment to <del>Priority</del> Tax Claims – Class 6	\$8,800.00
Monthly Payment to Class 7	\$2,433.89

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Monthly Payment to Small Claims in Class 8 \$2,500.00  
 Quarterly Payment to other Class 8 Claims \$32,000.00<sup>6</sup>

**Estimated date of first payment:** November 2017

Time period between payments: Monthly and Quarterly  
 Estimated date of last payment: October 2024  
 Contingencies, if any:

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

Cash on hand at the time of the Effective Date and cash generated from continued operations.

**Other significant features of the plan:**

**Include any other information necessary to explain this plan:**

**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)	\$2,605,195.48
1. Less secured claims (See IV-2)	\$2,928,629.39
2. Less administrative expenses (See IV-3, <u>and</u> include approximate Chapter 7 expenses)	\$221,250.00
3. Less other priority claims (See IV-4)	\$517,141.26
Total Amount Available for Distribution to Unsecured Creditors	\$ 0.00
Divided by total allowable unsecured claims of \$885,453.59	
Percentage of Dividend to Unsecured Creditors:	0%

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<sup>6</sup> The amount of the quarterly payment necessary to pay all Allowed Class 8 Claims in 28 quarterly installments and to fund the necessary Disputed Claims Reserve will be determined at or prior to the confirmation hearing.

**Will the creditors fare better under the plan than they would in a Chapter 7 liquidation?**  
Yes X No \_\_\_\_\_ Explain:

Under this chapter 11 Plan, the unsecured creditors will receive up to \$885,453.59 over a 7 year period. In a chapter 7, they would have received no distribution. Unsecured creditors will receive a projected dividend of 100% over a 7 year period under the Plan.

**VI. Feasibility**

- A. Attach Income Statement for Prior 12 Months: See attached Exhibit
- B. Attach Cash Flow Statement for Prior 12 Months: See Attached Exhibit
- C. Attach Cash Flow Projections for Next 12 Months: See attached Exhibit

**Estimated amount to be paid on effective date of plan, including administrative expenses.** \$ 490,000.00<sup>7</sup>

**Show how this amount was calculated.**

\$ 261,250.00	Administrative Class
\$ 0.00	Taxes
\$ 35,580.41	Lease cure amounts
\$ 0.00	Unsecured Creditors
<u>\$ 6,250.00</u>	UST Fees

TOTAL \$303,088.41

**What assumptions are made to justify the increase in cash available for the funding of the plan?** The Debtor will continue to generate work allowing 95% of its equipment and vehicles to be out in the filed generating revenue.

**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?**

Cash on hand \$875,153.31 in the DIP Account as of October 10, 2017.

Cash on hand \$ 410,000.00 is projected to be the balance as of the date of confirmation.

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**If this amount is less than the amount necessary at confirmation, how will debtor make up the shortfall?**

The Debtor and counsel for the Debtor will enter into an agreement to pay the fees as money

<sup>7</sup> This amount includes payments to secured creditors due on the plan effective date.

is available.

**VII. Management Salaries**

**MANAGEMENT SALARIES**

Position/Name of Person Holding Position	Salary at Time of Filing	Proposed Salary (Post-Confirmation)
Carol Swank – President and Sole shareholder	\$ <u>90,000</u>	Carol Swank has agreed that her post-confirmation salary for 2017 and 2018 will be \$ 0.00. <u>See Section I.7(J).</u>
Brian Swank – Vice President	\$ <u>90,000</u>	Brian Swank has also agreed to limit his post confirmation salary to improve plan feasibility. Brian Swank has agreed that his post-confirmation salary for 2017 and 2018 will be \$ 0.00. If <u>all</u> obligations and payments due under the Plan are current and not in default, Brian Swank’s salary for 2019 will increase to an amount not exceed \$60,000.00. Thereafter, if <u>all</u> obligations and payments under the Plan are current and not in default and until <u>all</u> obligations and payments under the Plan are fully paid and satisfied, Brian Swank’s annual salary may be increased on the 1 <sup>st</sup> day of January for each succeeding year by seven percent (7%).

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

1. **What, if any, Litigation is pending?** Iron City Industrial Cleaning Corp. v. Royal Flush
2. **What, if any, Litigation is Proposed or Contemplated?**
  - A. Objections to Claims
  - B. Chapter 5 actions – will not be pursued by the Reorganized Debtor under this Plan. However, as indicated in Section I.7.J above, certain Claims and causes of action are being preserved against officers, directors, shareholders, members, affiliates, related parties and/or other insiders, and, if necessary, may be pursued in the future.
  - C. Adversary Actions to Impose an injunction under 11 USC § 105 to enjoin

collections against officer and shareholders.

- D. Actions to enforce the Plan
- E. The Debtor does not intend to bring any avoidance actions against non-insiders
- F. The plan preserves any claims against the insiders, The Insiders have agreed to toll any claims of the estate.

**IX. Risks Associated with the Plan**

**THIS PLAN IS DEPENDENT On THE FUTURE VITALITY OF THE GAS INDUSTRY IN THE MARCELLUS SHALE IN WESTERN PENNSYLVANIA, OHIO AND WEST VIRGINIA. THE DEBTOR AND THE INDUSTRY HAVE EXPERIENCED INCREASED DEMAND IN THIS INDUSTRY SINCE THE FILING OF THE BANKRUPTCY. THIS DEBTOR'S SUCCESS IS DEPENDENT ON THE SUCCESSFUL CONFIRMATION OF THE PLAN OF REORGANIZATION OF C. SWANK ENTERPRISES, LLC. THIS DEBTOR CANNOT OPERATE AND FUND THE PLAN PAYMENTS CONTEMPLATED BY THIS PLAN UNLESS IT HAS THE RIGHT TO LEASE AND EMPLOY THOSE VEHICLES AND MACHINERY THAT C. SWANK ENTERPRISES, LLC LEASES TO ROYAL FLUSH. THESE ENTITIES ARE RELATED AND THEIR SUCCESS IS DEPENDENT ON EACH OTHER.**

Prior to the bankruptcy, this Debtor owed C Swank \$1,646,041.52 for lease rentals of equipment which were not paid. On August 31, 2016, that debt was written off as uncollectible.

The Debtor has negotiated a resolution of the treatment of First National Bank which is incorporated into the plan. First National Bank has agreed to support the plan which incorporates their agreements. The Debtor has entered into an adequate protection payment stipulation with First National Bank; the Debtor has made all payments required by that stipulation.

**Contributions of Carol Swank**

Carol Swank will separately contribute \$ 2,100.00 a month to FNB'S debt repayment as a guarantor in order to obtain their approval of this plan. That \$ 2,100.00 will be paid over approximately 5 years and she will contribute \$ 126,000.00 to FNB over the projected period of repayment. This contribution may result in the acceleration of payment to all creditors under the Plans.

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C Swank Enterprises, of which Carol Swank is the sole Member, had 57 pre-Bankruptcy contracts to lease equipment to Royal Flush, Inc. C. Swank is restructuring its payments to secured creditors to make that debt service feasible. C. Swank Enterprises LLC is passing on the savings from those contract modifications to reduce the payments by Royal Flush to C Swank LLC. The estimated reduction in payments is more than \$5,000,000,000 over the life of the Plan. This savings will inure to the benefit of Royal Flush creditors in two ways. It will assist in the reduction of the cash flow and make the Royal Flush Case feasible and allow payments of 100% over time to unsecured creditors. However, when the Secured creditors are paid in full in the C swank Case, the lease payments from Royal Flush, Inc. will be suspended and then Royal Flush will have additional cash flow to accelerate the payments to pay the remaining amounts to Class 8.

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Carol Swank asserts she has the right to be indemnified for expenses she incurs in connection with her position(s) with Royal Flush, Inc. or C Swank Enterprises, LLC. In the capacity of a guarantor of corporate debt to FNB, Paccar, Santander and De Lage Landen she has incurred more than \$ 25,000.00 in legal fees thus far. She will defer repayment of those costs until all creditors are paid in full under this Plan.

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Carol Swank is one of two owners of Bravo Charlie LLC. This entity owns the facility where both Royal Flush, Inc. and C Swank Enterprises, LLC operate. Bravo Charlie, LLC asserts that it was owed delinquent rent at the commencement of the case in the amount of \$ 45,000.00. Bravo Charlie, LLC also asserts that it is owed \$ 45,000.00 in unpaid post-petition rent. It will waive the payment of any arrears under the Plan. This is a waiver of \$ 90,000.00.

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Carol Swank is the sole shareholder of the Debtor. In prior years though 2015, Carol Swank was paid a salary in Royal Flush, Inc. or C. Swank Enterprises, LLC of up to \$ 200,000.00. In order to improve feasibility and in attempt to be fiscally conservative, Carol Swank reduced her salary to \$0.00 from Royal Flush and \$90,000.00 from C Swank. As part of the plan in Royal Flush, Inc. or C. Swank Enterprises, LLC, Carol Swank has reduced her salary to \$ 90,000.00 until the creditors are paid. This not only assists in plan feasibility but it also enables the Debtors to accelerate payment to unsecured creditors. While Carol Swank believes that a CEO salary for a corporation with \$ 20,000,000.00 annual revenue is reasonable, she has deferred any salary increase for the life of the Plan. This contribution has a benefit to the Debtor of at least \$ 550,000.00.

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Carol Swank has also agreed to suspend any payment of dividends and or other distributions on account of her equity security until creditors are paid in full under the Plan.

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**X. 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.

**Date:** November 13, 2017

**BY:** /s/ Donald R. Calaiaro  
**Donald R. Calaiaro, Esquire, PA I.D. #27538**  
[dcalaiaro@c-vlaw.com](mailto:dcalaiaro@c-vlaw.com)

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**BY:** /s/ David Z. Valencik  
**David Z. Valencik, Esquire, PA J.D. #308361**  
[dvalencik@c-vlaw.com](mailto:dvalencik@c-vlaw.com)

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**BY:** /s/ Michael Kaminski  
**Michael Kaminski, Esquire, PA I.D. 53493**  
[mkaminski@c-vlaw.com](mailto:mkaminski@c-vlaw.com)

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