

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

In Re:

Bankruptcy No. 16-23814 TPA

Appliances Plus, Inc.,

**DISCLOSURE STATEMENT
TO ACCOMPANY PLAN DATED APRIL 11, 2017**

X 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:

Steidl and Steinberg, P.C.
Suite 2830 – Gulf Tower
707 Grant Street
Pittsburgh, PA 15219
Attn: Christopher M. Frye, Esquire

I. Background

1. Name of Debtor:

Appliances Plus, Inc.

2. Type of Debtor (individual, partnership, corporation):

Corporation

3. Debtor's Business or Employment:

Appliance Sales and Service

4. Date of Chapter 11 Petition:

5. Events that Caused the Filing:

The Debtor does business as an appliance sales and service business. The Debtor has one shareholder, Rocco Perla, who owns 100% of the stock. The Debtor fell behind on payment of both withholding taxes and real estate taxes due to a decrease in revenue. The Debtor has been doing steady business since the filing of the Chapter 11 proceeding and can now propose a viable Chapter 11 Plan to repay all debts.

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

The Debtor's revenue has stabilized and is now profitable. The Debtor will be able to fund the Chapter 11 Plan from the ongoing revenue of the Debtor from normal business operations. No outside funding sources are necessary to fund the Chapter 11 Plan. The Debtor is the source of this information and opinion.

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

Class 1 – Administrative Claims – Class 1 Creditors will be paid in full upon Plan Confirmation. Legal fees to Debtor's Counsel may be paid pursuant to agreement between the Debtor and Debtor's counsel. Class 1 is not impaired by the Plan.

Class 2 – Nissan Motor Acceptance Corporation – Class 2 Secured Claim will be paid in full per the term of the original contract. Class 2 will retain its liens on all collateral. Class 2 is not impaired by the Plan.

Class 3 – Ally Bank – Class 3 Secured Claim will be paid in full per the term of the original contract. Class 3 will retain its liens on all collateral. Class 3 is not impaired by the Plan.

Class 4 – Secured Withholding Tax Claims – Class 4 Secured Claims will be paid in full at interest over a period of 60 months. Class 4 will retain their liens on all collateral. Class 4 is not impaired by the Plan.

Class 5 – Secured Real Estate Tax Claims – Class 5 Secured Claims will be paid in full at interest over a period of 60 months. Class 5 will retain their liens on all collateral. Class 5 is not impaired by the Plan.

Class 6 – Priority Unsecured Tax Claims – The Class 6 Claims of The Pennsylvania Department of Revenue, Internal Revenue Service, and Commonwealth of Pennsylvania Department of Labor and Industry will be paid in full at interest over a period of 60 months. The Class 6 Claim of the West Virginia State Tax Department is disputed and will not be paid pursuant to the Plan. Class 6 is not impaired by the Plan.

Class 7 – Insider Unsecured Creditors – The Class 7 insider Unsecured Claims shall be subordinated to all other Classes of Creditors under the Plan and shall not receive any distributions until all other Classes of Creditors have been paid in full pursuant to the Plan. Class 7 is impaired by the Plan.

Class 8 – General Unsecured Creditors – The Allowed General Unsecured Creditors of the Debtor will receive one hundred percent (100%) of their Allowed Claims over 60 months pursuant to the Plan. Class 8 is impaired by the Plan.

Class 9 – Equity Security Holders – The equity security holders of the Debtor comprise Class 9. There will be no change in the equity security holders or their percentage of ownership. Class 9 is not impaired by the Plan.

8. Are All Monthly Operating Statements Current and on File With The Clerk of Court?
Yes No

If Not, Explain:

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

N/A

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

N/A

11. Has a bar date been set? 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 (c) been filed with the Court to be treated as a small business?

Yes 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)
Nissan Motor Acceptance Corporation	\$21,433.19	\$0.00	2015 Nissan NV 2500	L	Y
Ally Bank	\$12,709.39	\$0.00	2013 Chevy Express 2500	L	Y
Commonwealth of PA Dept. of Labor and Industry	\$16,924.16	\$0.00	Liened Withholding Taxes	L	Y
Internal Revenue Service	\$25,694.73	\$0.00	Liened Withholding Taxes	L	Y
West Virginia State Tax Department	\$7,599.63	\$0.00	Liened Withholding Taxes	L	Y
Borough of Swissvale	\$7,648.22	\$0.00	Real Estate Taxes	L	Y

Woodland Hills School District	\$39,467.67	\$0.00	Real Estate Taxes	L	Y
County of Allegheny	\$5,469.48	\$0.00	Real Estate Taxes	L	Y
TOTAL	\$136,946.47	\$0.00			

B. Priority Claims

PRIORITY CLAIMS

Creditor	Total Amount Owed	Type of Collateral	(D) (L) (U) *
Commonwealth of PA Dept. of Labor and Industry	\$6,654.38	None	L
Internal Revenue Service	\$24,997.59	None	L
Pennsylvania Department of Revenue	\$1,049.54	None	L
West Virginia State Tax Department	\$19,475.00	None	D
TOTAL	\$32,701.51		

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

C. Unsecured Claims

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$17,604.00
2.	Amount of Unscheduled Unsecured Claims ¹	\$1,292.66
3.	Total Claims Scheduled or Filed	\$24,585.34
4.	Amount Debtor Disputes	\$18,692.68
5.	Estimated Allowable Unsecured Claims	\$5,892.66

D. Other Classes of Creditors

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

E. Other Classes of Interest Holders

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

¹ Includes (a.) unsecured claims filed by unscheduled creditors; (b.) that portion of any unsecured claim filed by a scheduled creditor that exceeds the amount debtor scheduled; and (c.) any unsecured portion of any secured debt not previously scheduled.

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)
Bank Accounts	\$54,300.00	Scheduled Balance at Filing	Internal Revenue Service - \$25,694.73 Commonwealth of PA Dept. of Labor and Industry - \$16,924.16 West Virginia State Tax Dept. - \$7,599.63	\$4,081.48
Cash on Hand	\$50.00	Scheduled Balance at Filing	None	
Accounts Receivable	\$25,000.00	Scheduled Balance at Filing	None	\$25,000.00
Appliance Dealers Cooperative Shares	\$0.00	Debtor's Opinion	None	\$0.00
Inventory	\$75,000.00	Liquidation	None	\$75,000.00

Office Furniture	\$300.00	Liquidation	None	\$300.00
Office Equipment	\$1,000.00	Liquidation	None	\$1,000.00
2015 Nissan NV 2500	\$17,500.00	Blue Book	Nissan Motor Acceptance Corporation - \$21,433.19	\$0.00
2013 Chevy Express 2500	\$11,200.00	Blue Book	Ally Bank - \$12,709.39	\$0.00
2005 Isuzu NPR	\$10,000.00	Blue Book	None	\$10,000.00
2004 Chevy Express Van	\$2,500.00	Blue Book	None	\$2,500.00
1671 Monongahela Avenue, Pittsburgh, PA 15218	\$200,000.00	Market Value	Borough of Swissvale - \$7,648.22 Woodland Hills School District - \$39,467.67 County of Allegheny - \$5,469.48	\$147,414.63
	\$396,850.00			\$265,296.11
	TOTAL			TOTAL

1. Are any assets which appear on Schedule A or B of the Bankruptcy Petition not listed above? Yes.

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

No

2. Are any assets listed above claimed as exempt? No. If so attach a copy of Schedule C and any amendments.

IV. SUMMARY OF PLAN

1. Effective Date of Plan: 30 days after Chapter 11 Plan Confirmation
2. Will cramdown be sought? Yes (If not consensual) No
If Yes, state bar date: _____
3. Treatment of Secured **Non- Tax** Claims

SECURED NON- TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
Nissan Motor Acceptance Corporation	2	\$21,433.19	The Debtor has made all contractual payments to the Class 2 creditor as of the date of this Plan. The vehicle loan to the Class 2 creditor was current as of the date of the filing of the Chapter 11 proceeding and has remained current during the Chapter 11 proceeding. The Debtor will continue to make contractual payments to the Class 2 creditor until the Class 2 debt is paid in full pursuant to the contract. Class 2 will retain its lien on all collateral. Class 2 is not impaired by the Plan.
Ally Bank	3	\$12,709.39	The Debtor has made all contractual payments to the Class 3 creditor as of the date of this Plan. The vehicle loan to the Class 3 creditor was current as of the date of the filing of the Chapter 11 proceeding and has remained current during the Chapter 11 proceeding. The Debtor will continue to make contractual payments to the Class 3 creditor until the Class 3 debt is paid in full pursuant to the contract. Class 3 will retain its lien on all collateral. Class 3 is not impaired by the Plan.
TOTAL		\$34,142.58	

4. Treatment of Secured Tax Claims

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
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<p>Commonwealth of PA Dept. of Labor and Industry</p>	<p>4</p>	<p>\$16,924.16</p>	<p>The total amount due and owing to all Class 4 creditors is \$50,218.52 pursuant to the Proofs of Claims filed by the Class 4 creditors. The Class 4 debt will be paid over a period of sixty (60) months at 4% interest. Each Class 4 creditor will be paid pro-rata from a total monthly payment of \$925.00. The monthly payments will commence on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Upon completion of the sixty (60) monthly payments made by the Debtor, or if the Class 4 debt is paid in full prior to the expiration of the sixty (60) month period, the Class 4 creditors will satisfy the tax liens entered against the Debtor and will record said satisfaction within thirty (30) days of the tendering of the final payment. Class 4 is not impaired by the Plan.</p>
<p>Internal Revenue Service</p>	<p>4</p>	<p>\$25,694.73</p>	<p>The total amount due and owing to all Class 4 creditors is \$50,218.52 pursuant to the Proofs of Claims filed by the Class 4 creditors. The Class 4 debt will be paid over a period of sixty (60) months at 4% interest. Each Class 4 creditor will be paid pro-rata from a total monthly payment of \$925.00. The monthly payments will commence on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Upon completion of the sixty (60) monthly payments made by the Debtor, or if the Class 4 debt is paid in full prior to the expiration of the sixty (60) month period, the Class 4 creditors will satisfy the tax liens entered against the Debtor and will record said satisfaction within thirty (30) days of the tendering of the final payment. Class 4 is not impaired by the Plan.</p>

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West Virginia State Tax Dept.	4	\$7,599.63	The total amount due and owing to all Class 4 creditors is \$50,218.52 pursuant to the Proofs of Claims filed by the Class 4 creditors. The Class 4 debt will be paid over a period of sixty (60) months at 4% interest. Each Class 4 creditor will be paid pro-rata from a total monthly payment of \$925.00. The monthly payments will commence on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Upon completion of the sixty (60) monthly payments made by the Debtor, or if the Class 4 debt is paid in full prior to the expiration of the sixty (60) month period, the Class 4 creditors will satisfy the tax liens entered against the Debtor and will record said satisfaction within thirty (30) days of the tendering of the final payment. Class 4 is not impaired by the Plan.
Borough of Swissvale	5	\$7,648.22	The total amount due and owing to all Class 5 creditors is \$52,585.37 pursuant to the Proofs of Claims filed by Class 5 creditors and the amounts listed on the Debtor's schedules. The Class 5 Debt owed to the Borough of Swissvale in the amount of \$7,648.22 will be paid over a period of sixty (60) months at 10% interest. The Borough of Swissvale will receive a monthly payment in the amount of \$163.00. The Class 5 Debt owed to the Woodland Hills School District in the amount of \$39,467.67 will be paid over a period of sixty (60) months at 10% interest. The Woodland Hills School District will receive a monthly payment in the amount of \$839.00. The Class 5 Debt owed to the County of Allegheny in the amount of \$5,469.48 will be paid over a period of sixty (60) months at 12% interest. The County of Allegheny will receive a monthly payment in the amount of \$122.00. The monthly payments will commence on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Class 5 is not impaired by the Plan.

<p>Woodland Hills School District</p>	<p>5</p>	<p>\$39,467.67</p>	<p>The total amount due and owing to all Class 5 creditors is \$52,585.37 pursuant to the Proofs of Claims filed by Class 5 creditors and the amounts listed on the Debtor's schedules. The Class 5 Debt owed to the Borough of Swissvale in the amount of \$7,648.22 will be paid over a period of sixty (60) months at 10% interest. The Borough of Swissvale will receive a monthly payment in the amount of \$163.00. The Class 5 Debt owed to the Woodland Hills School District in the amount of \$39,467.67 will be paid over a period of sixty (60) months at 10% interest. The Woodland Hills School District will receive a monthly payment in the amount of \$839.00. The Class 5 Debt owed to the County of Allegheny in the amount of \$5,469.48 will be paid over a period of sixty (60) months at 12% interest. The County of Allegheny will receive a monthly payment in the amount of \$122.00. The monthly payments will commence on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Class 5 is not impaired by the Plan.</p>
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County of Allegheny	5	\$5,469.48	<p>The total amount due and owing to all Class 5 creditors is \$52,585.37 pursuant to the Proofs of Claims filed by Class 5 creditors and the amounts listed on the Debtor's schedules. The Class 5 Debt owed to the Borough of Swissvale in the amount of \$7,648.22 will be paid over a period of sixty (60) months at 10% interest. The Borough of Swissvale will receive a monthly payment in the amount of \$163.00. The Class 5 Debt owed to the Woodland Hills School District in the amount of \$39,467.67 will be paid over a period of sixty (60) months at 10% interest. The Woodland Hills School District will receive a monthly payment in the amount of \$839.00. The Class 5 Debt owed to the County of Allegheny in the amount of \$5,469.48 will be paid over a period of sixty (60) months at 12% interest. The County of Allegheny will receive a monthly payment in the amount of \$122.00. The monthly payments will commence on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Class 5 is not impaired by the Plan.</p>
TOTAL		\$102,803.89	

5. Treatment of Administrative **Non-Tax** Claims²

ADMINISTRATIVE NON-TAX CLAIMS

Name of Creditor*	Amount Owed	Type of Debt**	Summary of Proposed Treatment and Date of First Payment
Steidl and Steinberg, P.C.	\$25,000.00 (Estimated)	Legal Fees and Costs	Professional fees for Counsel for the Debtor will be paid only after application and approval by the Court. Professional fees for Debtor’s Counsel shall be paid immediately upon Court approval or as agreed to by counsel. If insufficient funds exist to pay counsel fees for Debtor’s Counsel upon Court approval, the Debtor and Counsel will enter into an agreement whereby counsel fees will be paid in a manner that does not interfere or interrupt payments to any Classes of Creditors in this Plan.
United States Trustee	\$1,650.00 (Estimated)	Trustee Fees	The final United States Trustee quarterly fee shall be paid in full prior to the entry of the Final Decree in the case.

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

² Include all §503(b) administrative claims.

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

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

8. Treatment of Priority Tax Claims³

PRIORITY TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
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³ Include dates when any §507(a)(7) taxes were assessed.

Commonwealth of PA Dept. of Labor and Industry	6	\$6,654.38	2016	<p>The total amount due and owing to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue is \$32,701.51 pursuant to the Proofs of Claims filed by the Class 6 creditors. The Class 6 debt owed to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue will be paid over a period of sixty (60) months at 4% interest. Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue will be paid pro-rata from a total monthly payment of \$602.00. The monthly payments will commence to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Class 6 is not impaired by the Plan.</p>
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Internal Revenue Service	6	\$24,997.59	2014-2016	<p>The total amount due and owing to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue is \$32,701.51 pursuant to the Proofs of Claims filed by the Class 6 creditors. The Class 6 debt owed to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue will be paid over a period of sixty (60) months at 4% interest. Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue will be paid pro-rata from a total monthly payment of \$602.00. The monthly payments will commence to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Class 6 is not impaired by the Plan.</p>
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Pennsylvania Department of Revenue	6	\$1,049.54	2016	<p>The total amount due and owing to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue is \$32,701.51 pursuant to the Proofs of Claims filed by the Class 6 creditors. The Class 6 debt owed to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue will be paid over a period of sixty (60) months at 4% interest. Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue will be paid pro-rata from a total monthly payment of \$602.00. The monthly payments will commence to Commonwealth of Pennsylvania Department of Labor and Industry, Internal Revenue Service, and Pennsylvania Department of Revenue on the last day of the month following the effective date of the Plan and will be due on the last day of the month each month thereafter. Class 6 is not impaired by the Plan.</p>
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West Virginia State Tax Department	6	\$19,375.00	2009-2016	<p>The Debtor disputes the Priority Unsecured Claim of West Virginia State Tax Department in the amount of \$19,375.00. The Debtor did business in West Virginia up to the year 2008. The Proof of Claim filed by the West Virginia State Tax Department were for estimated taxes for tax years 2009-2016. The Debtor should not owe any taxes to the State of West Virginia for any tax year after 2008. No payments will be made to West Virginia State Tax Department for the claimed Priority Unsecured taxes pursuant to this Plan. West Virginia State Tax Department shall correct its records to indicate that there is no tax debt due and owing by the Debtor after tax year 2008. If the Priority Unsecured Claim of West Virginia State Tax Department is not resolved within the Plan confirmation process, the Debtor will object to the Claim of West Virginia State Tax Department. Class 6 is not impaired by the Plan.</p>

9. Treatment of General Unsecured Non-Tax Claims

GENERAL UNSECURED NON-TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
Dayton Appliance Parts	8	\$2,800.00	100%
Triumph Sales	8	\$1,800.00	100%
Horowitz Family Partnership	8	\$1.00 – DISPUTED	0%
Lakeview Appliance Distributing	8	\$1.00 – DISPUTED	0%
Marcone Appliance Parts	8	\$1.00 – DISPUTED	0%
Viking Range, LLC	8	\$1.00 – DISPUTED	0%
V&V Appliance Parts	8	\$13,000.00 – DISPUTED	0%
Jefferson Capital Systems, LLC	8	\$728.68 – DISPUTED	0%
TOTAL		\$4,600.00	

10. Treatment of General Unsecured Tax Claims

GENERAL UNSECURED TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
Internal Revenue Service	8	\$390.00	100%
Pennsylvania Department of Revenue	8	\$902.66	100%
West Virginia State Tax Dept.	8	\$4,960.00 - DISPUTED	0%
TOTAL		\$1,292.66	

11. Will periodic payments be made to Unsecured Creditors?

Yes X No _____ First payment to begin on the last day of the month six months after the Plan effective date.

If so:

Amount of each payment (aggregate to all Unsecured Claimants): \$295.00
Estimated date of first payment: Six months after effective date of Plan
Time period between payments: Quarterly
Estimated date of last payment: Sixty months after first payment
Contingencies, if any:

State source of funds for planned payments, including funds necessary for capital replacement, repairs, or improvements: All Plan payments will be made from the ongoing revenue of the Debtor's business from normal business operations.

Other significant features of the plan:

N/A

Include any other information necessary to explain this plan:

N/A

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)	\$396,850.00
1. Less secured claims (See Section II A)	\$136,946.47
2. Less administrative claims (See Section IV-5-6 and include approximate Chapter 7 expenses)	\$26,650.00
3. Less other priority claims (See Section II B)	\$32,701.51
Total Amount Available for Distribution to Unsecured Creditors	\$200,552.02
Divided by total allowable Unsecured Claims of (See Section II C)	\$5,892.66
Percentage of Dividend to Unsecured Creditors:	100%

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

Yes No

Explain: Under the Plan, all Secured Creditors and Priority Unsecured creditors will get paid in full at interest and unsecured creditors will be paid 100% of their claims.

VI. Feasibility

A. See attached Historic Summary, Projected Summary, and Plan Feasibility Summary labeled Exhibit "A". The attached Exhibit "A" details the feasibility of the Debtors proposed Plan and can be explained as follows:

1. Historic Summary – The figures included in the "Total Cash Flow From Operations" section of the Historic Summary are monthly revenue figures of the Debtor taken directly from the monthly operating reports filed by the Debtor. The "Less Total Disbursements Excluding Payments to Creditors in a Plan" figures are taken directly from the monthly operating reports filed by the Debtor. The Total Net Cash Flow section subtracts the "Less Total Disbursements Excluding Payments to Creditors in a Plan" figures from the "Total Cash Flow From Operations" figures.

2. Projected Summary – The "Total Projected Cash Flow From Operations" figures are derived by taking the average of the Debtor's revenue (as reported on the Historic Summary) during the Chapter 11 proceeding. The average revenue of the Debtor during that period was \$144,902.00 per month. Based on the above, the Debtor believes that \$144,902.00 per month is a conservative, realistic estimate of average monthly revenue for the next twelve (12) months and that is the figure reported on the "Total Projected Cash Flow From Operations" section.

The "Less Total Projected Disbursements Excluding Payments to Creditors in a Plan" figures are derived by taking the average of the Debtor's monthly expenses (as reported on the Historic Summary) while in the bankruptcy proceeding. The average monthly expenses of the Debtor since the filing of the bankruptcy proceeding was \$141,528.00.

The "Anticipated Cash Flow Available for Plan" figure of \$3,374.00 was taken by subtracting the projected revenue of \$144,902.00 and subtracting the projected expenses of \$141,528.00.

3. Plan Feasibility – The "Anticipated Receipts Available for Plan" figure is taken directly from Line 6 of the "Projected Summary" as directed by the form and is \$3,374.00 per month.

The Debtor's Chapter 11 Plan calls for the following ongoing monthly payments to the following Classes of Creditors that have not been paid monthly payments during the Chapter 11 reorganization proceeds:

<u>CLASS</u>	<u>MONTHLY PAYMENT</u>
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4	\$925.00
5	\$1,124.00
6	\$602.00
8	\$99.00

TOTAL \$2,750.00

As the Debtor's proposed Plan calls for payments of \$2,750.00 per month, that is the figure used in the "Less Proposed Plan Payments" section of the Plan Feasibility Summary.

As the Debtor's anticipated revenue available for Plan funding is \$3,374.00 per month, it is clear that a Plan payment of \$2,750.00 per month is feasible. The anticipated overage of \$624.00 per month will be saved by the Debtor and used for unanticipated capital expenditures or slow revenue months so that the Debtor does not get into a bankruptcy situation in the future.

Estimated amount to be paid on effective date of Plan, including administrative expenses:

\$1,650.00

Show how this amount was calculated:

\$1,650.00	Administrative Class
\$0.00	Taxes
\$0.00	Unsecured Creditors
<u>\$1,650.00</u>	UST Fees
<u>\$1,650.00</u>	TOTAL

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

None

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?

The Debtor will have funds significant to pay any US Trustee fees and any fees to the Clerk. The Debtor and Debtor's Counsel will make arrangements for administrative legal fees that will not interfere with any payments to other Classes of Creditors under the Plan.

VII. Management Salaries

MANAGEMENT SALARIES

Position/Name of Person Holding Position	Salary at Time of Filing	Proposed Salary (Post-Confirmation)
Rocco Perla	\$6,500.00 monthly draw	\$6,500.00 monthly draw

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?

The Debtor may have to file claim objections against West Virginia State Tax Department and Jefferson Capital Systems, LLC if the claims are not resolved through the Plan confirmation process.

IX. Additional Information and Comments

N/A

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.

If Debtor is a corporation, attach a copy of corporate resolution authorizing the filing of this Disclosure Statement and Plan.

If Debtor is a general partnership, attach a copy of the consent agreement of all general partners to the filing of the Bankruptcy.

/s/ Christopher M. Frye_____

Christopher M. Frye
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Suite 2830 – Gulf Tower
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Pittsburgh, PA 15219
412-491-3130
chris.frye@steidl-steinberg.com
PA ID 208402

May 17, 2017_____

Date