

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

In Re: Lifeline Sleep Center, LLC,) Bankruptcy No. 16-24201-JAD
)
Debtor.) Chapter 11
)
) Honorable Jeffery A. Deller

**DISCLOSURE STATEMENT
TO ACCOMPANY AMENDED CHAPTER 11 PLAN DATED MARCH 9, 2018**

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 Amended 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:

Brian C. Thompson, Esquire
Thompson Law Group, P.C.
125 Warrendale-Bayne Road, Suite 200
Warrendale, Pennsylvania 15086

I. Background

1. Name of Debtors

Lifeline Sleep Center, LLC

2. Type of Debtor

Debtor is a limited liability company doing business in the Commonwealth of Pennsylvania.

3. Debtor's Business or Employment

The Debtor operated several outpatient sleep centers collectively known as “Lifeline Sleep Center, LLC.”.

4. Date of Chapter 11 Filing:

November 10, 2016

5. Events that Caused the Filing:

The Debtor initiated this Chapter 11 case to reorganize its debts after becoming financially distressed as a result of falling behind on its financial obligations due to a decline in business.

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

The Plan is to be implemented by the reorganized Debtor through future income of the Debtor derived by ongoing operation of its outpatient sleep centers. The Administrative Claims to be paid on the effective date of the plan will be funded in part by a capital contribution of the President of the Debtor, Mark Kegg, in the approximate amount of \$18,000.00.

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

A. Class 1, Administrative Claims (Unimpaired).

i. Class 1 – United States Trustee (Unimpaired). The quarterly fees of the United States Trustee will be paid as they become due.

ii. Class 1 – Attorney Fees. Counsel fees approved by the Court will be paid in full over 60 equal monthly payments.

iii. Class 1 – Internal Revenue Service (Unimpaired). As per the Parties' Stipulation¹, the Administrative Claim of the Internal Revenue Service for any post-petition taxes will be paid in full on the effective date of the Plan.

iv. Class 1 – Commonwealth of PA – UCTS (Proof of Claim No. 8) (Unimpaired). The Administrative Claim of the Commonwealth of PA UCTS, Department of Labor and Industry, for post-petition taxes in the amount of \$14,531.89 will be paid in full on the effective date of the Plan.

¹ A copy of the Debtor's stipulation with the Internal Revenue Service can be found on the docket for the above-captioned bankruptcy case, filed on November 6, 2017 at docket number 136.

- v. Class 1 – Southwestern PA Pulmonary & Sleep Medicine LTD and Charles Koler, M.D. (Unimpaired). As per the Parties' Stipulation and Consent Order², the Administrative expenses of Southwestern PA Pulmonary & Sleep Medicine LTD and Charles Koler, M.D. will be paid \$8,500.00 on the effective date of the Plan.
- vi. Class 1 – All Other Administrative Claims. All other Administrative Claims shall be paid in full as of the Plan effective date, if possible, or as soon thereafter as practicable.
- B. Class 2, Secured Claims of S&T Bank (Claim Nos. 4, 5 & 6 Impaired).

The claims of S&T Bank, including Claim No. 4 in the amount of \$148,900.00, Claim No. 5 in the amount of \$72,822.83, and Claim No. 6 in the amount of \$194,241.26, all three claims being secured against certain business assets of the Debtor, shall be reduced to a total claim of \$280,000.00 and paid at 5.00% over 6 (six) years with a monthly payment of \$4,509.00. Any amount due in excess of \$280,000.00 shall be treated as a Class 5 General Unsecured Claim.

Payments shall commence on the effective date and be paid before the 10th day of every month with lien(s) retained until paid in full.

- C. Class 3, Secured Tax Claims (Unimpaired)
 - a. Secured Claim of Internal Revenue Service (Claim No. 2, Unimpaired)

As per Agreement, the secured claim of the Internal Revenue Service for WT-FICA taxes in the total amount of \$22,294.98 shall be paid at 4% interest over 5 years with 60 equal monthly payments of \$411.00, with lien retained until paid in full.³

- b. Secured Claim of Commonwealth of PA - UCTS (Claim No. 1, Unimpaired)

² A Copy of the Joint Stipulation and Agreed Order between the Debtor and Southwestern PA Pulmonary & Sleep Medicine LTD and Charles Koler, M.D. can be found on the docket for the above-captioned bankruptcy case, filed on January 31, 2018 at docket number 162. The Order approving said Stipulation was entered on February 1, 2018 at docket number 163.

³ A copy of the Debtor's stipulation with the Internal Revenue Service can be found on the docket for the above-captioned bankruptcy case, filed on November 6, 2017 at docket number 136.

The secured claim of the Commonwealth of PA - UCTS, in the amount of \$44,133.81 and shall be paid at 4% interest over 5 years with 60 equal monthly payments of \$813.00, with lien retained until paid in full.

D. Class 4, Priority Unsecured Claims (Unimpaired).

a. Internal Revenue Service (Claim No. 2, Unimpaired).

The unsecured priority claim of the Internal Revenue Service for FUTA and WT-FICA taxes in the total amount of \$310.58 shall be paid in full on the effective date of the plan.

b. Commonwealth of PA - UCTS (Claim No. 1, Unimpaired).

The unsecured priority claim of the Commonwealth of PA - UCTS in the total amount of \$29,929.40 shall be paid at 4% interest over 5 years, with 60 equal monthly payments of \$552.00.

c. Pennsylvania Department of Revenue (Claim No. 7, Unimpaired).

The unsecured priority claim of the Pennsylvania Department of Revenue in the total amount of \$3,431.47 shall be paid at 4% over 5 years, with 60 equal monthly payments of \$64.00.

E. Class 5– Unsecured Claims (Impaired).

The Class 5 claims will be paid, in total, an estimated amount of \$28,000.00, plus 6% interest, of allowed unsecured claims, divided on a pro-rata basis. This is an estimated 1% of unsecured claims. If funds are available, Debtor may pay this amount to Class 5 in full. Otherwise, at a minimum, Debtor shall pay \$5,600.00 plus 6% interest on an annual basis for 5 years, with the first annual payment commencing within one year of the effective date of this Plan, and the 4 subsequent payments being made on the anniversary of the first payment. Any amount not paid under Class 5 shall be discharged upon confirmation of this plan. This class shall not be entitled to interest on their claims, except as outlined herein.

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

Yes: ☒ No: ☐

If Not, Explain:

N/A

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

No.

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

Party listed in Schedule G	Description of Contract/Lease	Accept/Reject
Southwestern PA Pulmonary & Sleep Medicine LTD and Charles Koliner, MD	Professional Services Contract	Rejected
Comdoc	Contract for Imaging services & Support	Rejected
Dan Scheiferstein	Employment Agreement	Rejected
Pitney Bowes	Lease of Postage Equipment	Assumed
Lifeline Centers, P.C.	Professional Services Contract	Assumed to the extent that Debtor will be entering into new agreements negotiated with counsel for Lifeline Centers, P.C.
Sleep Medicine and Lung Health Consultants, LLC	Professional Services Contract	Assumed to the extent that Debtor will be entering into new agreements negotiated with counsel for Sleep Medicine and Lung Health Consultants, LLC.
Washington Hospital	Lease Agreement	Assumed

11. Has a bar date been set?

Yes, May 9, 2017 for governmental units and April 4, 2017 for all other creditors or parties in interest.

12. Has an election under 11 U.S.C. §1121(e) 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.

While no property is currently contemplated to be sold in connection with 11 U.S.C. §1146, Debtors reserve their right to amend this Plan at any time to do so.

II. Creditors

A. Secured Claims

Creditor	Total Amount Owed (Estimated or claimed)	<u>Arrearages</u>	<u>Type of Collateral</u> <u>Priority of Lien</u>	<u>Disputed</u> <u>Liquidated</u> <u>Unliquidated</u>	<u>Will Liens be</u> <u>Retained Under</u> <u>the Plan (Y) or</u> <u>(N)</u>

S&T Bank	\$280,000.00	0	First Priority lien against Business Assets of the Debtor (including Equipment, Inventory, General Intangibles, Accounts)		<u>Y</u>
Total	\$280,000.00				

B. Unsecured Claims

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$ 316,883.76
2.	Amount of Unscheduled Unsecured Claims ⁴	\$ 2,582,219.19
3.	Total Claims Scheduled or Filed	\$ 2,893,002.95
4.	Amount Debtor Disputes (Investigation not complete)	\$ 0.00
5.	Estimated Allowable Unsecured Claims	\$ 2,893,002.95

C. Other Classes of Creditors - Priority

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$ 0.00
2.	Amount of Unscheduled Priority Claims	\$ 33,671.45
3.	Total Claims Scheduled or Filed	\$ 33,671.45
4.	Amount Debtor Disputes	\$ 0.00
5.	Estimated Allowable Priority Claims	\$ 33,671.45

D. Other Classes of Interest Holders

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

III. Assets

Assets	Value	Basis for Value Priority of Lien	Name of Lienholder (if any) (Fair Market Value/Book Value)	Amount of Debtor's Equity (Value Minus Liens, but not considering exemptions)
15 Alice 5 Base Stations & Head Units	\$9,000	2016 Appraisal	S&T Bank	\$0.00
20 Dell Work Stations	\$200	2016 Appraisal	S&T Bank	\$0.00
5 Axis Video Servers	\$90	2016 Appraisal	S&T Bank	\$0.00

⁴ 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.

15 Airphone Intercoms	\$150	2016 Appraisal	S&T Bank	\$0.00
15 DSP Color Bullet Cameras	\$90	2016 Appraisal	S&T Bank	\$0.00
15 Respiroics Omni Labs	\$3,000	2016 Appraisal	S&T Bank	\$0.00
4 Linksys Port Switches	\$50	2016 Appraisal	S&T Bank	\$0.00
4 HP Laser Printers	\$40	2016 Appraisal	S&T Bank	\$0.00
15 Respiroics Pressure Transducers	\$600	2016 Appraisal	S&T Bank	\$0.00
15 Sharp Televisions	\$150	2016 Appraisal	S&T Bank	\$0.00
8 Oxygen Concentrators	\$500	2016 Appraisal	S&T Bank	\$0.00
4 Oversize Wheelchairs	\$200	2016 Appraisal	S&T Bank	\$0.00
4 Equipment Dryers	\$40	2016 Appraisal	S&T Bank	\$0.00
4 APC UPS	\$160	2016 Appraisal	S&T Bank	\$0.00
1 Dell Work Station	\$20	2016 Appraisal	S&T Bank	\$0.00
4 Cisco Firewalls	\$80	2016 Appraisal	S&T Bank	\$0.00
10 Yealink IP Phones	\$150	2016 Appraisal	S&T Bank	\$0.00
6 Cannon Scanners	\$60	2016 Appraisal	S&T Bank	\$0.00
Respiroics Capnograph	\$280	2016 Appraisal	S&T Bank	\$0.00
4 SECA Scales	\$80	2016 Appraisal	S&T Bank	\$0.00
Accounts Receivable	\$82,183.18	May MOR	S&T Bank	\$0.00
Security Deposit - Washington	\$3,052.83	May MOR	S&T Bank	\$0.00
Receivable – Dann Scheiferstein	\$35,508.77	May MOR	S&T Bank	\$0.00
Goodwill & Other Intangibles	\$129,056.10	May MOR	S&T Bank	\$0.00
15 patient set-up packages	\$900	Debtor's opinion/estimation	S&T Bank	\$0.00
15 bedroom suites	\$3,000	Debtor's opinion/estimation	S&T Bank	\$0.00
15 IV poles	\$750	Debtor's opinion/estimation	S&T Bank	\$0.00
15 Big Boy recliners	\$750	Debtor's opinion/estimation	S&T Bank	\$0.00
4 vacuum cleaners	\$120	Debtor's opinion/estimation	S&T Bank	\$0.00
200 comforter/sheet sets	\$400	Debtor's opinion/estimation	S&T Bank	\$0.00
Total	\$270,661.00			

- Are any assets which appear on Schedule A or B of the bankruptcy petition or subsequent amendments not listed above?
No.
- Are any assets listed above claimed as exempt?
No.

IV. Summary of Plan

1. Effective Date of Plan: Within thirty (30) days of the date of the confirmation order.
2. Will cramdown be sought? Yes, only if necessary due to a failure to obtain enough votes accepting the Plan.
3. Treatment of Secured Non-Tax Claims

SECURED NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
S&T Bank	2	\$280,000.00	To be paid according to modified terms in the Plan
Total:		\$280,000.00	

4. Treatment of Secured Tax Claims

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
Internal Revenue Service	3	\$22,294.98	To be paid according to modified terms in the Plan
Commonwealth of PA - UCTS	3	\$44,133.81	To be paid according to modified terms in the Plan
TOTAL		\$66,428.79	

5. Treatment of Administrative Non-Tax Claims⁵

ADMINISTRATIVE NON-TAX CLAIMS

Name of Creditor	Amount Owed	Type of Debt	Summary of Proposed Treatment and Date of First Payment
Thompson Law Group, P.C.	\$40,000.00 Approximately	Attorney for the Debtors – legal fees	To be paid in full in equal monthly payments over 60 months commencing on the effective date.
U.S. Trustee	\$0.00	U.S. Trustee Fees	Will be paid in full on a quarterly or in accordance with applicable guidelines.

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

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

6. Treatment of Administrative Tax Claims

⁵ Include all § 503(b) administrative claims

ADMINISTRATIVE TAX CLAIMS

Name of Creditor	Amount Owed	Type of Debt**	Summary of Proposed Treatment and Date of First Payment
Internal Revenue Service	Unknown	Post-petition tax debt, if any	To be paid in full on the effective date of the Plan
Commonwealth of PA - UCTS	\$14,531.89	Post-petition tax debt	To be paid in full on the effective date of the Plan

7. Treatment of Priority Non-Tax

PRIORITY NON-TAX CLAIMS

None.

8. Treatment of Priority Tax Claims⁶

PRIORITY TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
Internal Revenue Service	4	\$310.58	NOT FILED	To be paid according to statutory requirements.
Commonwealth of PA - UCTS	4	\$29,929.40	2016	To be paid according to statutory requirements.
Pennsylvania Department of Rev.	4	\$3,431.47		To be paid according to statutory requirements.
Total		\$33,671.45		

9. Treatment of General Unsecured Non-Tax Claims

GENERAL UNSECURED NON-TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
Amato Keating and Lessa, P.C.	5	\$21,600.00	1.0% estimated
Champion Energy Services	5	\$300.00	1.0% estimated
Southwestern Pa Pulmonary & Sleep Medicine, and Charles Koliner, MD	5	\$20,900.00	1.0% estimated
Chase Card Services/Marriot Rewards	5	\$13,000.00	1.0% estimated
Duncan Financial Group	5	\$1,825.00	1.0% estimated
i2M	5	\$11,459.99	1.0% estimated
Kaul Investment Group Co., LP	5	\$4,950.00	1.0% estimated
Kossmann Development	5	\$17,262.00	1.0% estimated
New Castle Medical Arts Bldg Condo Assoc.	5	\$1,941.00	1.0% estimated

⁶ Include dates when any § 507(a)(7) taxes were assessed.

RGB North LLC	5	\$4,950.00	1.0% estimated
Sleep Med & Lung Health Cons, LLC	5	\$209,376.77	1.0% estimated
University of Pittsburgh	5	\$3,219.00	1.0% estimated
Dann Schleiferstein	5	\$2,446,255.10	1.0% estimated
S&T Bank	5	\$135,964.09	1.0% estimated
Total		\$2,893,002.95	

10. Treatment of General Unsecured Tax Claims

GENERAL UNSECURED TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
Pennsylvania Dept. of Revenue	5	\$2,543.97	1.0% estimated

11. Will Periodic payments be made to unsecured creditors?

Yes X No _____ First payment to begin on the effective date and on the anniversary of the effective date thereafter for 4 years.

If so:

Amount of each payment (aggregate to all unsecured claimants): \$1,900.00, plus 6% interest.

Estimated date of first payment: effective date.

Time period between payments: 1 year.

Estimate date of last payment: within 5 years of the effective date.

Contingencies, if any: None known at this time.

State source of funds for planned payments, including funds necessary for capital replacement, repairs, or improvements: Source of funds for plan payments will be derived from Debtors' ongoing operations.

Other significant features of the plan:

Include any other information necessary to explain this plan:

V. Comparison 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)	\$ 270,661.00
1. Less secured claims (See IV)	\$ 280,000.00
2. Less exemptions from Schedule C	\$ 0.00
3. Less administrative expenses (See IV)	\$ 44,531.89
4. (estimated and not including costs of sale/liquidation).	

5. Less other priority claims (See IV)	\$ 33,671.45
Total Amount Available for Distribution to Unsecured Creditors:	\$ 0.00
Divided by total allowable unsecured claims of (See Section II B)	\$ 2,893,002.95
Percentage of Dividend to Unsecured Creditors:	0%

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

Yes X No

Explain: Liquidation under chapter 7 would result in smaller distributions and possibly no distributions to some creditors, as the case may be, compared to those distributions provided for in this Plan because of the costs and fees of administering a liquidation of Debtor's assets. The Plan not only preserves the best value of the Estate, it also provides for the most effective and efficient disposition and administration of the Debtor's assets. The likelihood of no other claims being paid, except for some secured claims, is very likely under this scenario.

VI. Feasibility

- A. If prepared, Income Statements for Prior 12 Months are available on the Court Docket.
- B. If Prepared, Cash Flow Statements for Prior 12 months are available on the Court Docket.
- C. Attach Cash Flow Projections for Next 12 months.

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

\$30,191.47

Show how this amount was calculated.

\$ 500.00	Administrative – Attorney's Fees Debtors' counsel may agree to receive regular payments over time to facilitate the plan confirmation process should funds not be available to pay this claim in full.
\$ 14,531.89	Administrative Claim of Commonwealth of Pennsylvania PA - UCTS
\$ 0.0	Administrative Class (other, estimated)
\$ 8,500.00	Administrative Claim of Southwestern PA Pulmonary & Sleep Medicine LTD and Charles Kolinier, M.D.
\$ 4,509.00	S&T
\$ 411.00	Secured claim of IRS
\$ 813.00	Secured claim of Commonwealth of PA - UCTS
\$ 310.58	Priority Unsecured Claim of IRS

\$ 552.00 Priority Unsecured Claim of PA – UCTS
 \$ 64.00 Priority Unsecured Claim of PA Dept. of Revenue
 \$ 0.00 UST Fees
 \$ 30,191.47 TOTAL

What assumptions are made to justify the increase in cash available for the funding of the plan? A reduction and modification of outstanding secured debts, and a capital contribution of approximately \$18,000 from Debtor's President, Mark Kegg.

Cash on hand \$22,770.00 January MOR
 Cash on hand \$35,000.00 (Estimated amount available on date of confirmation)

Will funds be available in the full amount for administrative expense on the effective date of the plan? Yes. From what source? Available funds of the Debtor, as well as a capital contribution from the Debtor's President, Mark Kegg. If not available, why not and when will payments be made? N/A.

VII. Management Salaries

MANAGEMENT SALARIES

Position/Name of Person Holding Position	Salary at Time of Filing	Proposed Salary (Post-Confirmation)
None		

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

1. What, if any, Litigation is pending? None

Caption of Suit and Case Number	Nature of Proceedings	Court of Agency Location	Status or Disposition

2. What, if any, Litigation is Proposed or Contemplated? None at this time.

IX. Additional Information and Comments

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: March 9, 2018

Lifeline Sleep Center, LLC,
 By,

/s/Mark Kegg
 Mark Kegg, President

Date: March 9, 2018

/s/Brian C. Thompson
Brian C. Thompson, Esquire
PA-91197
THOMPSON LAW GROUP, P.C.
125 Warrendale-Bayne Road, Suite 200
Warrendale, Pennsylvania 15086
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HISTORIC SUMMARY: 2017-2018

Post Petition Periods	FEB 17	MAR 17	APR 17	MAY 17	JUNE 17	JUL 17	AUG 17	SEPT 17	OCT 17	NOV 17	DEC 17	JAN 18
Total Cash Flow from Operation	\$150,810	\$162,965	\$137,004	\$170,171	\$141,432	\$130,931	\$144,390	\$140,787	\$139,324	\$167,072	\$213,622	\$110,688
Less Total Disbursements Excluding PMTS to Creditors In a Plan**	\$136,779	\$172,265	\$141,347	\$159,365	\$137,817	\$136,927	\$152,066	\$133,806	\$145,223	\$165,811	\$175,131	\$133,261
Total Net** Cash Flow	\$30,756	(\$9,300)	(\$4,343)	\$10,806	\$3,615	(\$5,996)	(\$7,676)	\$6,981	(\$5,899)	\$1,261	\$38,491	(\$22,573)

** Amounts differ from Monthly Operating Reports in that Monthly Operating Reports include adequate protection payments to Creditors as expenses, thereby increasing the total disbursements, and decreasing the net cash flow. Historic Summary requires the exclusion of payments to creditors. Additionally, Debtor has been making monthly payments to creditor S&T Bank, which will be an expense paid under the plan moving forward (and the largest monthly payment due under the plan.)

Definitions:

Total Projected Cash Flow from Operations: Total amount of projected funds collected in a specific period from cash sales, collection of accts receivable, and other income, excluding loan proceeds, cash contributions from insiders, and sales taxes collected.

Total disbursements excluding payments to creditors in a plan: Total projected disbursements in a specific period for production costs, general and administrative costs, excluding payments to creditors to be paid under the terms of the proposed plan.

PROJECTED SUMMARY

Post Petition Periods	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Total Projected Cash Flow from Operations:	155,581	155,581	155,581	155,581	155,581	155,581	155,581	155,581	155,581	155,581	155,581	155,581
Less Total Projected Disbursements Excluding PMTS to Creditors In a Plan	148,421	148,421	148,421	148,421	148,421	148,421	148,421	148,421	148,421	148,421	148,421	148,421
Anticipated Cash Flow Available for Plan	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160

Definitions:

Total Projected Cash Flow from Operations: Total amount of projected funds collected in a specific period from cash sales, collection of accts receivable, and other income, excluding loan proceeds, cash contributions from insiders, and sales taxes collected.

Total disbursements excluding payments to creditors in a plan: Total projected disbursements in a specific period for production costs, general and administrative costs, excluding payments to creditors to be paid under the terms of the proposed plan.

PLAN FEASABILITY

Post Petition Periods	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Anticipated Receipts Available for Plan:	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160	\$7,160
Less Proposed Plan Payments:	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849	\$6,849
Overage/(Shortage) of Cash Flow Available to Fund Plan	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312