

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

In Re:

DERRY COAL COMPANY, LLC,

Bankruptcy No. 16-24727-GLT

Debtor.

**DISCLOSURE STATEMENT
TO ACCOMPANY PLAN DATED JULY 19, 2017**

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

Debtor furnishes this disclosure statement to creditors in the above-captioned matter pursuant to Bankruptcy Code §1125 to assist them in evaluating debtor's proposed Chapter 11 plan, a copy of which is attached hereto as Exhibit A. 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: **ROBERT O LAMPL
960 PENN AVENUE, SUITE 1200
PITTSBURGH, PA 15222**

I. Background

1. Name of Debtor

DERRY COAL COMPANY, LLC

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

CORPORATION

3. Debtor's Business or Employment

COAL/GAS MINING

4. Date of Chapter 11 Petition

DECEMBER 22, 2016

5. Events that Caused the Filing:

DEBTOR WAS INVOLVED IN LITIGATION AND NEEDED TO DEAL WITH SAME AND ITS OTHER CREDITORS IN AN ORDERLY, ORGANIZED FASHION

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

N/A – PLAN TO BE FUNDED ENTIRELY THROUGH A SALE OF DEBTOR'S REAL ESTATE LOCATED AT 1 COAL LOADER DRIVE, DERRY, PA 15627 AND ANY PERMIT RIGHTS

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

FUNDING FOR THIS PLAN WILL BE DERIVED FROM A SALE OF THE DEBTOR'S REAL ESTATE LOCATED AT 1 COAL LOADER DRIVE, DERRY, PA AND ANY PERMIT RIGHTS ASSOCIATED THEREWITH. IF LESS THAN FULL PAYMENT CAN BE MADE OUT OF THE PROCEEDS, THE SALE PROCEEDS OBTAINED WILL BE USED TO PAY CREDITORS TO THE GREATEST EXTENT POSSIBLE IN ACCORDANCE WITH THEIR PRIORITY UNDER THE BANKRUPTCY CODE.

8. Are All Monthly Operating Statements Current and on File With The Clerk of Court?

Yes _____ No x

If Not, Explain:

THE DEBTOR HAS FILED ALL SUCH REPORTS EXCEPT FOR MAY, 2017 WHICH IS PAST DUE AS A RESULT OF A DELAY IN OBTAINING THE APPROPRIATE BANK STATEMENT FOR SAME. SAID REPORT WILL BE FILED FORTHWITH.

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

PLAN DOES NOT INCLUDE RELEASE OF NONDEBTOR PARTIES.

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

DEBTOR IS IN THE PROCESS OF COMPLETING REQUIREMENTS TO PERFECT ITS RIGHTS TO A WASH PLANT PERMIT; SAID PERMIT RIGHTS WILL BE ASSUMED BY THE DEBTOR AND ANY ACTIONS NEEDED TO SECURE SAID RIGHTS WILL BE PERFORMED BY THE DEBTOR.

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(e) 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).

**1 COAL LOADER DRIVE
DERRY, PA 15627**

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)
RTB HOLDINGS, LLC	\$ 1,119,806.47	\$ 1,119,806.47	1 ST MORTGAGE ON DEBTOR'S REAL ESTATE	L	Y*
Total	\$ 1,119,806.47	\$ 1,119,806.47			

*LIENS WILL BE RETAINED UNTIL DEBTOR'S REAL ESTATE AND ANY PERMIT RIGHTS ASSOCIATED THEREWITH IS SOLD AT WHICH TIME LIENS WILL TRANSFER TO THE SALE PROCEEDS WHICH WILL THEN BE DISTRIBUTED IN ACCORDANCE WITH BANKRUPTCY CODE PRIORITY PROVISIONS.

B. Priority Claims

PRIORITY CLAIMS

Creditor	Total Amount Owed	Type of Collateral	(D) (L) (U) *
N/A			
Total			

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

C. Unsecured Claims

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$ 290,000.00
2.	Amount of Unscheduled Unsecured Claims ¹	\$ 19,806.47
3.	Total Claims Scheduled or Filed	\$ 309,806.47
4.	Amount Debtor Disputes	\$ 0
5.	Estimated Allowable Unsecured Claims	\$ 309,806.47

D. Other Classes of Creditors

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$ 1,100,000.00
2.	Amount of Unscheduled Claims ¹	\$ 0
3.	Total Claims Scheduled or Filed	\$ 1,100,000.00
4.	Amount Debtor Disputes	\$ 0
5.	Estimated Allowable Claims	\$ 1,100,000.00

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	\$ N/A
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)
1 COAL LOADER DRIVE, DERRY, PA 15627	\$1,000,000.00	DEBTOR ESTIMATE FMV; LIEN BASED ON MORTGAGE DOCS	RTB HOLDINGS, LLC	\$ 0
WASH PLANT PERMIT RIGHTS	\$ 80,668.24	BOOK VALUE (FMV MAY BE HIGHER BUT WOULD RUN WITH LAND AND IS UNKNOWN)	N/A	\$ 80,668.24
	\$ 1,080,668.24			\$ 80,668.24
				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: N/A

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:

90 DAYS AFTER PLAN CONFIRMATION OR CLOSING ON SALE OF DEBTOR'S ASSETS, WHICHEVER IS LATER.

2. Will cramdown be sought? Yes No
 If Yes, state bar date: MAY 25, 2017

3. Treatment of Secured Non-Tax Claims

SECURED NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
RTB HOLDINGS, LLC	1	\$ 1,119,806.47	TO BE PAID OUT OF REAL ESTATE SALE PROCEEDS PER PRIORITY
TOTAL		\$ 1,119,806.47	

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
N/A			
TOTAL			

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
ROBERT O LAMPL	\$25,000.00	LEGAL FEES	TO BE PAID OUT OF REAL ESTATE SALE PROCEEDS PER PRIORITY
OFFICE OF THE U.S. TRUSTEE	\$ 325.00	QUARTERLY U.S. TRUSTEE FEES	TO BE PAID IN FULL ON OR BEFORE THE PLAN EFFECTIVE DATE

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
N/A			

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

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

²Include all §503(b) administrative claims.

7. Treatment of Priority Non-Tax

PRIORITY NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
N/A				

8. Treatment of Priority Tax Claims³

PRIORITY TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
N/A				

³Include dates when any §507(a)(7) taxes were assessed.

9. Treatment of General Unsecured Non-Tax Claims

GENERAL UNSECURED NON-TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
C&D COAL COMPANY, LLC	4	\$ 290,000.00	TBD
RTB HOLDINGS, LLC	4	\$ 19,806.47	TBD
TOTAL		\$	

10. Treatment of General Unsecured Tax Claims

GENERAL UNSECURED TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
N/A			
TOTAL			

11. Will periodic payments be made to unsecured creditors?

Yes _____ No X First payment to begin N/A

If so: N/A

Amount of each payment (aggregate to all unsecured claimants)
 Estimated date of first payment: **EFFECTIVE DATE (IF FUNDS AVAILABLE)**
 Time period between payments: **N/A**
 Estimated date of last payment: **EFFECTIVE DATE (IF FUNDS AVAILABLE)**
 Contingencies, if any: **AVAILABLE FUNDS AFTER PAYMENT OF CREDITORS WITH HIGHER PRIORITY AND COSTS OF SALE**

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

SALE OF DEBTOR'S REAL ESTATE AND ANY PERMIT RIGHTS ASSOCIATED THEREWITH

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)	\$ 1,080,668.24
1. Less secured claims (See Section IV-2)	\$ 1,100,000.00
2. Less administrative expenses (See Section IV-3 and include approximate Chapter 7 expenses)	\$ 25,325.00
3. Less other priority claims (See Section IV-4)	\$ 0.00
 Total Amount Available for Distribution to Unsecured Creditors	 \$ 0.00
 Divided by total allowable unsecured claims of (See Section II C)	 \$ 309,806.47
 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:

THE SALE OF DEBTOR'S REAL ESTATE AND ANY PERMIT RIGHTS ASSOCIATED THEREWITH HEREIN WILL NOT REQUIRE THE OVERSIGHT OF A CHAPTER 7 TRUSTEE. SUCH OVERSIGHT WOULD BE REQUIRED IN A CHAPTER 7 LIQUIDATION AND THUS ADMINISTRATIVE EXPENSES WOULD BE HIGHER THEREIN LEAVING LESS FUNDS FOR CREDITORS.

VI. Feasibility

- A. Attach Income Statement for Prior 12 Months. *(N/A)
- B. Attach Cash Flow Statement for Prior 12 Months. *(N/A)
- C. Attach Cash Flow Projections for Next 12 Months. *(N/A)

***THE DEBTOR'S INCOME IS NOT SUFFICIENT TO FUND A PLAN HEREIN AND IT IS NOT CONTEMPLATED THAT ANY PLAN FUNDING WILL BE DERIVED FROM DEBTOR'S INCOME WHICH INCOME IS CURRENTLY ZERO WITH NO CHANGE EXPECTED IN THE FORSEEABLE FUTURE.ALL SUCH FUNDING WILL BE DERIVED FROM A SALE OF DEBTOR'S REAL ESTATE. AS SUCH, DEBTOR'S INCOME IS NOT RELEVANT TO PLAN FEASIBILITY.**

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

\$ (TBD BASED UPON PROCEEDS RESULTING FROM SALE OF DEBTOR'S REAL ESTATE)

Show how this amount was calculated.

\$	Administrative Class	
\$	Taxes	
\$	Unsecured Creditors	(N/A)
\$ _____	UST Fees	
<u>\$ _____</u>	TOTAL	

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

(N/A)

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?

IT IS BELIEVED THAT ADMINISTRATIVE CLAIMS (ESTIMATED TO BE IN THE AMOUNT OF \$25,325.00) WILL BE PAID IN FULL ON THE EFFECTIVE DATE.

Cash on hand \$ \$455.01 (Current). Attach current bank statement.

Cash on hand \$ \$25,325.00* (Estimated amount available on date of confirmation)

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

***US TRUSTEE FEES WILL BE PAID IN ANY EVENT EVEN IF IT REQUIRES PAYMENT TO BE PROVIDED FROM DEBTOR'S PRINCIPAL. THE OTHER ADMINISTRATIVE CLAIM INVOLVES THE FEES OF DEBTOR'S COUNSEL. IF FULL PAYMENT CANNOT BE MADE ON THE EFFECTIVE DATE, DEBTOR AND ITS COUNSEL WILL ARRANGE A PAYMENT PLAN IN REGARD TO ANY SUCH FEES APPROVED BY THE COURT.**

VII. Management Salaries

MANAGEMENT SALARIES

Position/Name of Person Holding Position	Salary at Time of Filing	Proposed Salary (Post-Confirmation)
N/A		

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

1. What, if any, litigation is pending?

NONE

2. What, if any, litigation is proposed or contemplated?

NONE

Business Checking
PNC Bank



For the period 06/01/2017 to 06/30/2017

128788



**DERRY COAL LLC
DIP ACCOUNT
21113 SHEPARD LN
ABINGDON VA 24211-5463**

Primary account number:

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Number of enclosures: 0

For 24-hour banking sign on to
 PNC Bank Online Banking on pnc.com
 FREE Online Bill Pay

For customer service call 1-877-BUS-BNKG
 Monday - Friday: 7 AM - 10 PM ET
 Saturday & Sunday: 8 AM - 5 PM ET

Para servicio en español, 1-877-BUS-BNKG

Moving? Please contact your local branch.

Write to: Customer Service
 PO Box 609
 Pittsburgh, PA 15230-9738

Visit us at PNC.com/smallbusiness

TDD terminal: 1-800-531-1648
 For hearing impaired clients only

IMPORTANT INFORMATION REGARDING CHECK DEPOSITS

Effective June 17, 2017, all check deposits made at a PNC Teller, ATM or Mobile Banking will follow the same funds availability schedule. Funds from a check deposit are not immediately available for use.

To learn more about our *PNC Funds Availability Policy*, including deposit cut-off times and certain exceptions, see *How to Make the Most of Your Money* at pnc.com/bankwisely.

Business Checking Summary

Account number:

Overdraft Protection has not been established for this account.
 Please contact us if you would like to set up this service.

Derry Coal Llc
 Dip Account

Balance Summary

Beginning balance	Deposits and other additions	Checks and other deductions	Ending balance
455.01	0.00	0.00	455.01
		Average ledger balance	Average collected balance
		455.01	455.01

Deposits and Other Additions


Total 0

Checks and Other Deductions

Total 0.00



Business Checking

 For 24-hour account information, sign on to pnc.com/mybusiness/

For the period **06/01/2017 to 06/30/2017**

DERRY COAL LLC

Primary account number:

Business Checking Account number: ontinued

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Detail of Services Used During Current Period

Note: The total charge for the following services will be posted to your account on 07/03/2017 and will appear on your next statement as a single line item entitled Service Charge Period Ending 06/30/2017.

Description	Volume	Amount	
Account Maintenance Charge		.00	Waived - New Customer Period
Total For Services Used This Period		.00	
Total Service Charge		.00	



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/ Jimmy Edward Cooper
Signature of Debtor
or Authorized Representative

July 19, 2017
Date

/s/ Robert O Lampl
Debtor's Counsel

July 19, 2017
Date

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

IN RE:

DERRY COAL COMPANY, LLC,

Debtor.

Bankruptcy No. 16-24727-GLT

Chapter 11

CERTIFICATE OF SERVICE

Robert O Lampl, John P. Lacher and David L. Fuchs, hereby certify, that on the 19th day of July, 2017, a true and correct copy of the foregoing **DISCLOSURE STATEMENT TO ACCOMPANY PLAN DATED JULY 19, 2017** was served upon the following (*via electronic service*):

Office of the U.S. Trustee
Liberty Center, Suite 970
1001 Liberty Avenue
Pittsburgh, PA 15222

Date: July 19, 2017

/s/ Robert O Lampl
ROBERT O LAMPL
PA I.D. #19809
JOHN P. LACHER
PA I.D. #62297
DAVID L. FUCHS
PA I.D. #205694
RYAN J. COONEY
PA I.D. #319213
Counsel for the Debtor
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