

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

IN RE:

PRIME METALS & ALLOYS, INC.,

Debtor.

Bankruptcy Case No. 17-70164-JAD

Chapter 11

**DISCLOSURE STATEMENT
TO ACCOMPANY PLAN DATED OCTOBER 3, 2017**

Chapter 11 Small Business (Check box only if debtor has elected to be considered a small business under 11 U.S.C. § 101(51D))

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:

PRIME METALS & ALLOYS, INC. BALLOT RETURN
c/o Bernstein-Burkley, PC
Attn: Kirk B. Burkley, Esq.
707 Grant Street, Suite 2200
Pittsburgh, PA 15219

I. Background

1. Name of Debtor: Prime Metals & Alloys, Inc. ("PMAI")
2. Type of Debtor (individual, partnership, corporation): Corporation
3. Debtor's Business or Employment: Scrap-trading and manufacturing and providing alloys, ingots, specialty scrap materials, and customized scrap blends
4. Date of Chapter 11 Petition: March 2, 2017
5. Events that Caused the Filing: PMAI marketed its business for sale, receiving interest from multiple parties but with no consummation of a sale. S&T Bank was applying pressure and threatening to foreclose on PMAI's loans. PMAI sought the

protection and assistance of the Bankruptcy Courts to facilitate a sale of substantially all assets and its business as a going concern.

6. Anticipated Future of the Company & Source of this Information and Opinion: PMAI has been sold to Prime Metals Acquisition, LLC. The source of the information for the Plan and Disclosure Statement is Richard Knupp, Brian Knupp, and Michael Lynn, directors and officers of PMAI.
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:

On March 29, 2017, the Debtor filed its Sale Motion, seeking approval to sell its business as a going concern, including substantially all of its assets free and clear of liens, claims, and encumbrances. On July 24, 2017, the Court entered the Sale Order, approving the sale of the Debtor's business to the Buyer for the Purchase Price. On August 18, 2017, the Debtor and Buyer consummated the sale of all Assets. From the Purchase Price, the Debtor is holding \$742,500.00 in Escrow, designated for Allowed Administrative Claims and General Unsecured Claims.

Funds to pay the Administrative Claims for the Debtor's Counsel and Accountants, Strategic Advisors, and the Committee's Counsel, Fox Rothschild, have been carved-out from the Purchase Price and are being held in Escrow by the Debtor's Counsel. Additionally, Net Recoveries on any Recovery Action or Cause of Action, received by the Debtor (or the Plan Administrator, after the Effective Date), shall be used to fund expenses of the Plan Administrator, then for additional distributions first to non-professional Holders of Allowed Administrative Claims including Allowed 503(b)(9) Claims, then to Holders of Allowed Class 2 Priority Claims, and then to the Bank for the remainder of its Class 1 Secured Claim, as explained in the Plan.

Class 1, the Secured Claim of S&T Bank, received a distribution from the Sale at Closing, as previously agreed to by the Debtor, Buyer, and the Bank, and approved by the Court in the Sale Order. Any remainder of the Bank's Class 1 Secured Claim not paid at Closing shall be paid from the Net Recoveries of Recovery Actions, after payment of expenses of the Plan Administrator, then payment in full of all Allowed Administrative Claims including Allowed 503(b)(9) Claims, and Allowed Class 2 Priority Claims.

Class 2, Priority Claims, were also paid at the time of Closing. In the event that any Allowed Priority Claim was not paid in full at the time of the Closing, Allowed Priority Claims shall be paid from either (i) the Net Recoveries of all Recovery Actions pursued by the Plan Administrator, after payment of expenses of the Plan Administrator and payment in full of all Allowed Administrative Claims including Allowed 503(b)(9) Claims, or (ii) the Unsecured Creditor Carve-Out.

Each Class 3, General Unsecured Claim, shall receive its pro rata share of the Unsecured Creditor Carve-Out (\$175,000) reserved from the Purchase Price and currently

held in Escrow by the Debtor's Counsel. In the event that the Allowed 503(b)(9) Claims and Class 2 Priority Claims are not paid in full through the disbursement of Net Recoveries, the Unsecured Creditor Carve-Out shall first be used to pay any remaining Allowed 503(b)(9) Claims then Class 2 Priority Claims in full, with the remainder of the Unsecured Creditor Carve-Out to be used to pay the Allowed Class 3 General Unsecured Claims.

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

Yes X No _____

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

The Debtor, the members of the Board of Directors of the Debtor and their respective members, partners, officers, directors, employees and agents (including any attorneys, financial advisors, investment bankers and other professionals retained by such persons) shall have no liability to any person for any act or omission in connection with, or arising out of, (i) the Disclosure Statement, (ii) the Plan, (ii) the solicitation of votes for, and pursuit of confirmation of, the Plan, (iv) the formulation, preparation, implementation or consummation of the Plan, (v) the administration of the Plan or the property to be distributed under the Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan, or (vi) any other act taken or omitted to be taken in connection with the Case, except for willful misconduct or gross negligence as determined by a Final Order after exhaustion of all rights of appeal, reconsideration or rehearing and, in all respects, shall be entitled to rely upon the advice of counsel with respect to its duties and responsibilities under the Plan and the Case.

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

None.

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

None.

II. Creditors

A. Secured Claims

SECURED CLAIMS

<u>Claim Number</u>	<u>Creditor Name</u>	<u>Secured Claim Amount</u>	<u>D, L, U*</u>
12	INDIANA CO. TAX CLAIM BUREAU	\$ 60,215.16	
19	S & T BANK	\$ 6,560,816.43	
20	S & T BANK	\$ 33,168.00	
21	S & T BANK	\$ 5,404,719.69	
22	S & T BANK	\$ 51,086.33	

B. Priority Claims

PRIORITY CLAIMS

<u>Claim Number</u>	<u>Creditor Name</u>	<u>Priority Claim Amount</u>	<u>D, L, U</u>
6	BERKHEIMER TAX ADMIN. - HOMER CENTER SD	\$ 23,948.34	
30	CONSTELLATION NEWENERGY, INC.	\$ 4,487.86	
	HOMER CITY SCHOOL DISTRICT	\$ 44,722.55	D
	INDIANA COUNTY CENTER TOWNSHIP	\$ 15,455.61	D
15	INTERNAL REVENUE SERVICE	\$ 926.18	
7	PA DEPT. OF REVENUE	\$ 402.65	

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

C. Unsecured Claims

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$ 6,950,518.08
2.	Amount of Unscheduled Unsecured Claims ¹	\$ 673,872.47
3.	Total Claims Scheduled or Filed	\$ 7,624,390.55
4.	Amount Debtor Disputes	(Unknown)
5.	Estimated Allowable Unsecured Claims	\$ 7,624,390.55

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

On March 29, 2017, the Debtor filed its Sale Motion, seeking approval to sell its business as a going concern, including substantially all of its assets free and clear of liens, claims, and encumbrances. On July 24, 2017, the Court entered the Sale Order, approving the sale of the Debtor’s business to the Buyer for the Purchase Price. On August 18, 2017, the Debtor and Buyer consummated the sale of all Assets.

The Debtor’s only remaining Assets include the amount of \$742,500.00 held in Escrow by Debtor’s Counsel and potential Recovery Actions, if any, of an unknown value.

1. Are any assets which appear on Schedule A or B of the bankruptcy petition not listed above? If so, identify asset and explain why asset is not in estate:

Yes. Substantially all of the Debtor’s Assets were sold pursuant to the Sale Motion and Sale Order.

2. Are any assets listed above claimed as exempt? If so attach a copy of Schedule C and any amendments.

None.

IV. SUMMARY OF PLAN

1. Effective Date of Plan:

2. Will cramdown be sought? ___ Yes X No
If Yes, state bar date: _____

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

SECURED NON-TAX CLAIMS

<u>Claim Number</u>	<u>Creditor Name</u>	<u>Secured Claim Amount</u>	<u>Treatment</u>
19	S & T BANK	\$ 6,560,816.43	Paid at the time of Closing; additional disbursement from Net Recoveries of Recovery Actions
20	S & T BANK	\$ 33,168.00	
21	S & T BANK	\$ 5,404,719.69	
22	S & T BANK	\$ 51,086.33	

4. Treatment of Secured Tax Claims (Included in Class 2)

SECURED TAX CLAIMS

<u>Claim Number</u>	<u>Creditor Name</u>	<u>Secured Claim Amount</u>	<u>Treatment</u>
12	INDIANA CO. TAX CLAIM BUREAU	\$ 60,215.16	Paid at the time of Closing; additional disbursement from Net Recoveries of Recovery Actions

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

ADMINISTRATIVE NON-TAX CLAIMS

<u>Claimant</u>	<u>Administrative Claim Amount</u>	<u>Treatment</u>
Bernstein-Burkley, PC, Counsel for the Debtor	\$ 217,500.00	To be paid from amount held in Escrow by Debtor's Counsel
Fox Rothschild, Counsel for the Committee	\$ 100,000.00	
Strategic Advisors, Inc.	\$ 200,000.00	
H2R, CPA, Accountant for the Debtor	\$ 50,000.00	
Resco Products - 503(b)(9)	\$ 6,667.97	To be paid from either (i) Net Recoveries from any Recovery Action received by the Debtor or Plan Administrator, or (ii) the Unsecured Creditor Carve-Out
Niobec, Inc. – 503(b)(9)	\$ 21,311.54	
Kovalchick Corporation – 503(b)(9)	\$ 10,065.70	
Custom Alloy Corp. – 503(b)(9)	\$ 18,214.33	
Remelt Sources Inc. – 503(b)(9)	\$ 12,362.56	

6. Treatment of Administrative Tax Claims

ADMINISTRATIVE TAX CLAIMS

(None)

7. Treatment of Priority Non-Tax Claims

² Includes all §503(b) administrative claims.

PRIORITY NON-TAX CLAIMS

<u>Claim Number</u>	<u>Creditor Name</u>	<u>Priority Claim Amount</u>	<u>Treatment</u>
30	CONSTELLATION NEWENERGY, INC.	\$ 4,487.86	Paid at the time of Closing; additional disbursement from either (i) Net Recoveries from any Recovery Action received by the Debtor or Plan Administrator, or (ii) the Unsecured Creditor Carve-Out

8. Treatment of Priority Tax Claims³

PRIORITY TAX CLAIMS

<u>Claim Number</u>	<u>Creditor Name</u>	<u>Priority Claim Amount</u>	<u>Treatment</u>
6	BERKHEIMER TAX ADMIN. - HOMER CENTER SD	\$ 23,948.34	Paid at the time of Closing; additional disbursement from either (i) Net Recoveries from any Recovery Action received by the Debtor or Plan Administrator, or (ii) the Unsecured Creditor Carve-Out
15	INTERNAL REVENUE SERVICE	\$ 926.18	
7	PA DEPT. OF REVENUE	\$ 402.65	

9. Treatment of General Unsecured Non-Tax Claims

GENERAL UNSECURED NON-TAX CLAIMS

***Each of the Holders of an Allowed General Unsecured Claim shall receive its pro rata share of the Unsecured Creditor Carve-Out (\$175,000.00) reserved from the Purchase Price and currently held in Escrow by the Debtor's Counsel. In the event that the Allowed 503(b)(9) Claims and Class 2 Priority Claims are not paid in full through the disbursement of Net Recoveries, the Unsecured Creditor Carve-Out shall first be used to pay any remaining Allowed 503(b)(9) Claims then Class 2 Priority Claims in full, with the remainder of the Unsecured Creditor Carve-Out to be used to pay the Allowed Class 3 General Unsecured Claims.

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

<u>Creditor Name</u>	<u>Claim Number</u>	<u>Unsecured Claim Amount</u>
A&G AUTO PARTS		\$ 1,985.74
A&M MACHINING AND FABRICATION, INC.	52	\$ 3,040.00
ABBOTT BALL		\$ 25.56
AIR TECHNOLOGIES COMPRESSED AIR SYSTEMS		\$ 4,075.42
AJAX TOCCO MAGNETHERMIC		\$ 9,925.30
ALCOA POWER PROPULSION		\$ 10,720.00
ALL AMERICAN METALS		\$ 3,748.50
ALLEGHENY COATINGS		\$ 5,042.46
ALMAC MACHINE CO., INC.		\$ 6,527.00
ALPHA BUSINESS FORMS, INC.		\$ 924.51
ALTERNATIVE TESTING LABS INC.		\$ 148.00
AMETEK		\$ 132,233.55
AMG RESOURCES/EULER HERMES NA Agent	14	\$ 95,936.13
AMICK ASSOCIATES, INC.		\$ 3,273.49
ANDERSON ELECTRIC	1	\$ 384,273.66
APPLIED HEALTH PHYSICS		\$ 590.19
BILL WORK FARMS		\$ 3,268.04
BIMAC		\$ 3,832.00
BLAST CLEANING TECHNOLOGIES, INC.		\$ 1,696.60
BLAST FINISHING, INC.	50	\$ 4,060.00
BLAST FINISHING, INC.	53	\$ 4,060.00
BLUE MOUNTAIN ENVIRONMENTAL MGMT CORP.		\$ 1,000.00
BOBCAT OF PITTSBURGH		\$ 207.17
BPI, INC.		\$ 565.81
BRACKETT MACHINE COMPANY		\$ 7,650.58
BREWER & SONS ENTERPRISES, LLC		\$ 15,301.75
CAI CUSTOM ALLOYS, INC.		\$ 25,195.82
C.H. ROBINSON WORLDWIDE, INC.	36	\$ 4,684.55
CAMBRIA SYSTEMS, INC.		\$ 847.73
CAMCO		\$ 1,170.98
CARRIER LYNX LLC		\$ 3,962.00
CASCO USA		\$ 4,832.11
CCMA, LLC		\$ 21,731.59
CENTRAL INDIANA COUNTY WATER AUTH.	2	\$ 3,586.46
CENTRE FOUNDRY & MACHINE		\$ 46,034.25
CERTIFIED LIFT SPECIALISTS		\$ 45.70
CHAMPION LUMBER		\$ 2,660.00
CHERRYHILL SAFETY SERVICES, LLC		\$ 1,631.74
CHESTNUT RIDGE METALS TRADING LLC		\$ 413,277.92

CHRISTMANN ENTERPRISES LLC		\$ 18,074.19
CICWA		\$ 2,119.03
CINTAUR, INC.		\$ 2,372.00
CLEVELAND BROTHERS EQUIPMENT CO., INC.		\$ 5,166.88
CODY AFFRICA		\$ 20.00
COMBINED METAL INDUSTRIES/Euler Hermes Canada	34	\$ 35,566.73
COMBINED METAL INDUSTRIES/Euler Hermes NA Ins. Co.	9	\$ 18,866.77
COMCAST		\$ 342.77
CONSTELLATION NEWENERGY, INC.	30	\$ 177,443.45
COX REFRACTORIES		\$ 49,812.25
CREDIT CARD DEPT.		\$ 8,573.73
CRONIMET		\$ 3,705.00
CURRY & KEPPLER, INC.	43	\$ 164,427.36
CUSTOM ALLOY CORPORATION	51	\$ 72,672.61
DAI ICHI USA LTD		\$ 31,202.79
DANIELS & MILLER, INC.		\$ 19,578.11
DAUPHIN PRECISION TOOL, LLC		\$ 4,448.92
DEI WELDING AND FABRICATING		\$ 2,732.40
DeLAGE LANDEN FINANCIAL SERVICES, INC.	41	\$ 1,014.68
DEVIN WELSH		\$ 1,080.00
DIAMOND TOOL & ABRASIVES, INC.	40	\$ 894.76
DIVAL SAFETY AND SUPPLIES		\$ 1,653.73
DOING BETTER BUSINESS		\$ 469.14
DOMINION RETAIL - GAS ACCOUNTING		\$ 67,960.52
DON HAGAN & SONS, INC.		\$ 5,100.00
DON MARTIN TRUCKING	32	\$ 11,189.78
EASTCO ENTERPRISE, INC.		\$ 37,819.08
EASTHAM FORGE, INC.		\$ 336,282.04
ELECTRICAL ENGINEERED PRODUCTS, INC.		\$ 19,701.30
ELECTRO-MEC, INC.		\$ 9,175.00
EQUIPCO		\$ 10,221.79
EXELOS		\$ 74,994.18
EXOTECH INC.		\$ 0.52
FAIRMONT MINERALS		\$ 314.80
FAIRMONT SUPPLY COMPANY		\$ 1,473.30
FAIRMOUNT SANTROL	23	\$ 314.80
FASTENAL COMPANY		\$ 36.04
FEDERAL EXPRESS		\$ 146.33
FEDMET RESOURCES		\$ 8,058.28
FPT- CLEVELAND LLC		\$ 14,929.59
FREIGHTQUOTE.COM		\$ 4,796.87

FRUSH VALLEY HOLDINGS	5	\$ 22,274.43
GARLAND WELDING		\$ 1,008.10
GLOBAL METAL POWERS		\$ 2,679.90
GRAYMONT (PA) INC.		\$ 34,926.80
GRAYMONT DOLIME (OH) INC.		\$ 15,242.26
GRECO GAS, INC.	26	\$ 18,814.13
GRONDMET GMBH & CO KG		\$ 24,188.87
GUARDIAN PROTECTION		\$ 431.99
H & K EQUIPMENT, INC.	11	\$ 989.81
HAB-EIT		\$ 166.98
HENRY HALL OFFICE PRODUCTS		\$ 7.42
HERAEUS ELECTRO-NITE CO., LLC		\$ 3,710.62
HICKMAN, WILLIAMS & CO.	37	\$ 677,528.21
HILLCREST GROUP, LLC		\$ 8,201.00
HILTI, INC.		\$ 19,817.50
HOMER CITY BOROUGH		\$ 8,164.11
HOMER CITY TIRE		\$ 139.56
INDIANA AUTO GLASS		\$ 672.00
INDIANA REGIONAL MEDICAL CENTER		\$ 3,515.00
INDUSTRIAL CONTROLS & EQUIPMENT	28	\$ 1,351.72
INDUSTRIAL RADIATOR WORKS		\$ 768.50
INSULATING FIREBRICK, INC.		\$ 5,400.00
INTERSTEEL INC.		\$ 21,532.35
JOE KRENTZMAN & SON	45	\$ 9,507.00
JOSEPH MCBROOM		\$ 15.15
K&K MECHANICAL SERVICES, INC.		\$ 26,633.78
KALUMETALS, INC.	17	\$ 160,769.85
KCA ENTERPRISES	35	\$ 11,029.20
KCI		\$ 650.82
KEN GRECO COMPANY		\$ 3,387.78
KEYSTONE IRON & METAL CO., INC.	39	\$ 25,372.42
KOVALCHICK CORPORATION		\$ 54,792.31
KROSAKI MAGNESITA REFRACTORIES, LLC	54	\$ 94,160.30
KROSAKI MAGNESITA REFRACTORIES, LLC	55	\$ 426,543.95
LAIRD CONTROLS OF NORTH AMERICA, INC.		\$ 6,994.36
LATROBE SPECIALTY STEEL		\$ 3,450.40
LAUREL CANYON COFFEE COMPANY		\$ 935.44
LESMAN INSTRUMENT COMPANY		\$ 940.36
LOWE'S		\$ 3,563.70
MAGNA REFRACTORIES	25	\$ 850.00
MAGNESITA		\$ 191,556.93

MAHAFFEY LABORATORY LTD.		\$ 536.00
MARC-SERVICE, INC.		\$ 16,169.00
MASTERMANS, LLP	24	\$ 655.35
MAX ENVIRONMENTAL TECHNOLOGIES INC.		\$ 5,194.31
McCLYMONDS SUPPLY & TRANSIT CO., INC.	31	\$ 1,359.10
MCMASTER-CARR SUPPLY CO.		\$ 785.13
MERCER LIME COMPANY		\$ 12,952.13
METAL PREP		\$ 6,275.27
METAL TREE LLC		\$ 16,795.08
METRO BENEFITS, INC.		\$ 5,877.33
MICHAEL F. LYNN		\$ 241.38
MIDWESCO		\$ 17,996.86
MILLBANK MATERIALS PA, LTD		\$ 2,697.60
MILLER PUMP SUPPLY, INC.		\$ 405.99
MOBILE MEDICAL CORPORATION		\$ 1,545.00
MOORE M/R SPECIALTY CO.		\$ 9,665.45
NATURE'S FOOTPRINTS LLC		\$ 221.39
NICK BRUNER TRUCKING		\$ 1,800.00
NILIT AMERICA, INC.	10	\$ 1,577.30
NORTH AMERICAN REFRACTORIES CO.		\$ 1,423.12
NORTHERN ANALYTICAL LABORATORY, INC.		\$ 425.00
OMEGA ENGINEERING INC.		\$ 1,837.00
OMNI FINISHING		\$ 4,060.00
ONEX		\$ 10,031.70
OWEN MEYER		\$ 450.00
PA DEP/CLEAN AIR FUND		\$ 375.00
PA DEP/HAZARDOUS MATERIAL RESPONSE FUND		\$ 60.00
PA DEPT. OF REVENUE	7	\$ 941.86
PATRIOT SPECIAL METALS, INC.		\$ 800.60
PATTERSON SAW AND SUPPLY INC.		\$ 7,813.11
PENELEC		\$ 26,213.96
PENN FAN, INC.	29	\$ 5,029.95
PENNSYLVANIA DEPT. OF AGRICULTURE		\$ 240.00
PENNWEST INDUSTRIAL TRUCKS, LLC		\$ 430.80
PENSTAN SUPPLY		\$ 296.90
PEOPLES NATURAL GAS COMPANY, LLC	47	\$ 11,612.10
PILLAR INDUCTION		\$ 1,782.40
PITT INDUSTRIAL		\$ 857.30
PRAXAIR, INC.	4	\$ 270,962.15
PRAXAIR STEEL BUSINESS DEV.		\$ 3,016.72
PREMIER METAL & RECYCLING, INC.		\$ 3,222.07

PROCESS INSTRUMENTS INC.		\$ 51.78
PSS COMPANIES		\$ 3,222.85
R.A.M. TRANSIT BROKERAGE INC.		\$ 7,565.91
R.I. LAMPUS CO.		\$ 34,327.26
RAD/COMM SYSTEMS CORP.		\$ 550.00
RAM INDUSTRIAL SERVICES	49	\$ 3,836.06
REDIMET LLC		\$ 25,696.91
REICHARD INDUSTRIES LLC	56	\$ 6,559.56
RESCO PRODUCTS, INC.	48	\$ 244,202.72
REUNING-McKIM, INC.	42	\$ 2,072.38
RISINGER LANDSCAPING		\$ 5,250.00
RITCHEY METALS/EULER HERMES NA Agent	13	\$ 5,128.18
RJ LEE GROUP		\$ 6,487.50
RL MILLER LLC		\$ 9,105.47
ROSATI CONSTRUCTION COMPANY		\$ 3,335.00
S&T BANK		\$ 14,318.78
SALANDRO'S REFUSE, INC.		\$ 936.72
SAPA EXTRUSIONS, INC.		\$ 734.80
SAW SALES & MACHINERY	38	\$ 9,951.30
SCALE SERVICE & SALES		\$ 2,255.00
SCOTT E. KNUPP BUILDERS LLC		\$ 1,500.00
SCOTT KNUPP		\$ 1,379.00
SCP SCIENCE CONOSTAN		\$ 173.00
SCRAP SALVAGE & SURPLUS, INC.		\$ 2,569.00
STAIMAN RECYCLING CORPORATION	46	\$ 15,167.66
STATIMATE SYSTEM, INC.	44	\$ 74,994.18
STEALTH ALLOYS INC.		\$ 46,158.20
STEEL INDUSTRIES, INC.		\$ 0.03
THE STANDARD INSURANCE CO.		\$ 4,108.90
THERMOLANCE CO., INC.		\$ 8,307.90
TITAN INTERNATIONAL, INC.	18	\$ 26,306.26
TOWNSEND GAS & OIL, INC.		\$ 10,208.73
TRUCK PARTS UNLIMITED, INC.		\$ 675.30
UFP PARKER		\$ 1,433.25
ULINE		\$ 1,229.02
UNIFIRST CORPORATION	3	\$ 9,238.55
UNIFIRST CORPORATION	8	\$ 6,219.22
UNIFRAX VACUFORM INC.		\$ 13,717.49
UNITED HEALTHCARE		\$ 61,780.31
UNITED MINERAL RESOURCES		\$ 4,304.88
UNITED REFRACTORIES CO.		\$ 6,641.80

UNITY EXCAVATING		\$ 440.50
UNIVERSAL REFRACTORIES, INC.		\$ 6,198.50
UPMC WORK PARTNERS		\$ 22,951.00
VACUFORM		\$ 7,237.50
VALLEY DRUM		\$ 3,450.00
VALLEY TIRE CO., INC.	16	\$ 2,020.55
VERIZON		\$ 2,390.26
VESUVIUS/FOSECO		\$ 49,964.39
VINCENT SPILLAR		\$ 26.48
VOTO MANUFACTURERS SALES CO.	33	\$ 2,048.59
VYKING METALS, LLC		\$ 6,300.00
W.H. FITZGERALD, INC.		\$ 675.00
WACK MANUFACTURING		\$ 1,595,196.00
WACK MANUFACTURING		\$ 20,700.00
WALZ SCALE COMPANY		\$ 895.42
WEST PENN DIESEL, INC.		\$ 18,485.94
WESTMORELAND SPECIALTY METALS, LLC		\$ 14,554.86
WGL ENERGY SERVICES		\$ 262,804.86
WHITE'S VARIETY VILLAGE WEST, INC.		\$ 473.40
WILKOFF & SONS LLC	27	\$ 57,241.57
WILLIAM FERRIER		\$ 586.00
WILLIAMS BROTHERS		\$ 483.00
ZENAR CORPORATION		\$ 60,056.99
ZORO		\$ 1,668.63

10. Treatment of General Unsecured Tax Claims

GENERAL UNSECURED TAX CLAIMS

***Same treatment as General Unsecured Non-Tax Claims and included above in Section IV.9.

11. Will periodic payments be made to unsecured creditors?

Yes X No _____

Each of the Holders of an Allowed General Unsecured Claim shall receive its pro rata share of the Unsecured Creditor Carve-Out (\$175,000.00) reserved from the Purchase Price and currently held in Escrow by the Debtor's Counsel. In the event that the Allowed 503(b)(9) Claims and Class 2 Priority Claims are not paid in full through the disbursement of Net Recoveries, the Unsecured Creditor Carve-Out shall first be used to pay any remaining Allowed 503(b)(9) Claims then Class 2 Priority Claims in full, with the remainder of the Unsecured Creditor Carve-Out to be used to pay the Allowed Class 3 General Unsecured Claims.

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)	\$ 742,500.00
1. Less secured claims (See Section II A)	\$ 0.00
2. Less administrative claims (See Section IV-5-6 and include approximate Chapter 7 expenses)	\$ 636,122.10
3. Less other priority claims (See Section II B)	\$ 4,487.86
 Total Amount Available for Distribution to Unsecured Creditors	 \$ 101,890.04
 Divided by total allowable unsecured claims of (See Section II C)	 \$ 7,642,390.55
 Percentage of Dividend to Unsecured Creditors:	 1.33%

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

Yes X No _____

Explain: Under the Plan, the Debtor and Plan Administrator will pursue Recovery Actions which are anticipated to yield additional Net Recoveries for the benefit of all Creditors. The Unsecured Creditor Carve-Out will yield the General Unsecured Creditors an estimated 2.3% dividend.

VI. Feasibility

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

\$742,500.00

Show how this amount was calculated.

\$ 567,500.00	Administrative Class
\$	Taxes
\$ 175,000.00	Priority and Unsecured Creditors
\$	UST Fees
<u>\$ 742,500.00</u>	TOTAL

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

None. The Plan is funded by the amount held in Escrow by the Debtor's Counsel, carved-out from the Sale of the Debtor's Assets, plus Net Recoveries on Recovery Actions pursued by the Debtor and Plan Administrator.

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?

Funds are available to pay all Allowed Administrative Claims of Professionals. Remaining Allowed Administrative and Priority Claims shall be paid from Net Recoveries from any Recovery Action received by the Debtor or Plan Administrator, or the Unsecured Creditor Carve-Out.

Cash on hand \$ 742,500.00 (Current – held in Escrow).

Cash on hand \$ 742,500.00 (Estimated amount available on date of confirmation)

VII. Management Salaries

The Debtor has sold its business as a going concern and will no longer operate or employ any employees.

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 and Plan Administrator reserve all rights to object to any Claims and pursue any Recovery Actions, including but not limited to preference Claims or Causes of Action, fraudulent conveyance Claims or Causes of Action, rights of setoff and other Claims and Causes of Action under sections 510, 542, 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and other applicable bankruptcy and non-bankruptcy law.

IX. Additional Information and Comments

None.

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.

/s/ Richard Knupp
Signature of Debtor
or Authorized Representative

October 3, 2017
Date

/s/ Kirk B. Burkley
Debtor's Counsel

October 3, 2017
Date