

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA**

IN RE:	)	CASE NO: 16-03362-HB
	)	Chapter 11
Lukes, Incorporated	)	
465 S. Herlong Ave., Suite A	)	
Rock Hill, SC 29732	)	
	)	
d/b/a Luke's Sports Bar & Grill	)	
	Debtor. )	
_____	)	

**DISCLOSURE STATEMENT**

An initial Disclosure Statement was filed on January 3, 2017. Objections were filed to that Disclosure Statement by the Office of United States Trustee, and the Internal Revenue Service. The Internal Revenue Service alleged in its objection that the debtor was in arrears with post-petition federal withholding taxes. The debtor suggests she is not, and will prove same. As to the IRS portion of the objection that states it is entitled to four (4%) percent fixed interest as opposed to three (3%) per cent statutory interest, the debtor agrees, and incorporates that change in the instant Disclosure Statement. The debtor proposes in this new Disclosure Statement to resolve concerns stated by the US Trustee in her objection to the original Disclosure Statement.

Lukes, Incorporated, the debtor-in-possession, provide this Disclosure Statement to all of their known creditors in order to disclose that information deemed by the Debtors to be material, important, and necessary for all creditors to arrive at a reasonably informed decision in exercising their right to vote on the Plan of Reorganization.

This Disclosure Statement has been filed with the U. S. Bankruptcy Court in Columbia, South Carolina. A Plan of Reorganization was filed as well. Both include a "Schedule of Payments" which itemizes the amounts to be paid to each creditor.

By the time you receive a copy of this Disclosure Statement, which should be accompanied by a copy of the Plan of Reorganization and a Voting Ballot, a hearing on the Disclosure Statement will have already been held and an order approving it will have been issued by the Bankruptcy Judge. This is the procedure unless you have requested a copy of the Disclosure Statement prior to the hearing.

The next step is for you to vote to accept or reject the Debtor's Plan of Reorganization. The court has scheduled a hearing on the Plan of Reorganization and you should have been or will be notified of the exact time, date and location. Creditors may vote on the Plan of Reorganization by filling out and mailing the accompanying Ballot to the Bankruptcy Court. As a creditor your vote is very important. The Plan of Reorganization can be confirmed by the Court if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class voting on the Plan. In the event the requisite acceptances are not obtained, the court may nevertheless confirm the Plan if the court finds the Plan accords fair and equitable treatment to the class rejecting it.

It is important in making your decision to accept or reject the Debtor's Plan of Reorganization to especially review the "liquidation analysis" section of the Disclosure Statement.

The question in a bankruptcy reorganization (such as Chapter 11) is whether or not the creditor receives

an amount equal to what it would have received under a bankruptcy liquidation (i.e., under Chapter 7), not whether or not they receive all that is owed to them. It is, therefore, important for a creditor to understand that simply because the creditor does not like bankruptcy or is not going to receive all of its money under the Plan, does not mean that the creditor should reject the Plan or not vote on the Plan at all. Again, therefore, it is important to review the liquidation analysis. Of course, a creditor will want to review the remaining portions of the Disclosure Statement as well.

The Debtors' Plan of Reorganization is based upon the Debtors' belief that the present forced liquidation (Chapter 7) net value of their principal assets is so small as to offer the potential of only a minimal recovery to creditors. The Debtors believe that a Chapter 11 reorganization will allow a more substantial recovery to creditors.

#### ADEQUATE INFORMATION

A disclosure statement should contain adequate information to allow creditors to make an informed decision as to whether the confirmation of the plan is in their best interests. The disclosure statement should be meaningful and easily understood. While circumstances will vary widely from one Chapter 11 case to the next, and, therefore, the parameters of "adequate information" may also vary, the following information is considered to be critical to an evaluation of the adequacy of a disclosure statement.

1. The necessary financial information, data and projections relevant to the creditors' decision to accept or reject the Chapter 11 plan.
2. The assets and liabilities of the business if applicable. Provide current balance sheet information and the source of appraisal values.
3. The events leading to the filing of the petition and the financial difficulties of the debtor.
4. The operating condition and success of the debtor while in Chapter 11.
5. An estimate of the return to creditors under a Chapter 7 liquidation (brief liquidation analysis).
6. A list of all claims against the debtor, if practicable, showing the claims to which objections are anticipated and the reasons for the objections. A list of claims to be recognized under the plan.
7. A statement regarding the debtor's compliance with all responsibilities to file tax returns and pay taxes due both pre and post-petition.
8. An analysis of the potential tax consequences to the debtor and other parties -in-interest resulting from the plan.
9. The parties responsible for the future management of the debtor (controlling persons) if applicable, and the rate or amount of compensation to be paid for their services.
10. A detailed estimate of the administrative expenses contemplated under the plan, including, but not limited to, attorneys' fees, accountants' fees and other professional fees and expenses. This includes quarterly fees to the Office of the United States Trustee ("UST").
11. The estimated collectibility of the debtor's accounts receivable if applicable.
12. The risks posed to creditors under the plan.
13. An analysis of potential preferential or otherwise voidable transfers and the debtor's plan,

if any, to pursue such recoveries.

14. Anticipated future litigation (bankruptcy and non-bankruptcy contexts) and the estimated cost and sources of revenue to fund this litigation.
15. A statement that the plan represents a legally binding arrangement and should be read in its entirety, as opposed to relying on the summary in the disclosure statement.
16. The impaired classes under the plan. Include a layman's definition of impairment.
17. A statement that approval of the disclosure statement by the Bankruptcy Court does not constitute approval of the plan.
18. Whether any creditors' committee exists and, if so, whether it participated in negotiating the terms of the plan.
19. An explanation of the voting requirements for acceptance of the plan.

#### INFORMATION REGARDING DEBTOR

On July 6, 2016, the debtor-in-possession ("debtor") filed its chapter 11 petition commencing its reorganization, and declaring the case as a "small business" case as that term is defined under the Bankruptcy Code. It filed 34 pages of schedules on August 4, 2016. On July 21, 2016, the debtor filed its "Application to Employ its Attorney" to handle this reorganization. On August 5, 2016, the Court entered its Order approving that Application. The "First Meeting of Creditors" was held on August 26, 2016. The debtor's 100% owner, Jennifer Luke, attended that meeting and answered all questions asked of her. The meeting was administered by a staff attorney for the Office of the United States Trustee for Region Four. As its name implies, the debtor is a sports bar & grill. It caters to a number of regular customers, and advertises by word of mouth to the public "at large" for new customers. Understandably the business receives most of its revenue after 5:00 p.m. and on weekends. Its principal, Jennifer Luke, obtains a special Sunday alcohol permit so that the business can serve customers after midnight on Saturdays. This has become an important part of the business' success in recent years.

#### LEASE

The debtor corporation had prior to the filing of the chapter 11 leased its present location at 456 S. Herlong Avenue in Rock Hill, SC from Nancy W. Smith. Motions were filed in the chapter 11 by both parties as issues were in dispute. On September 29, 2016, the Court issued its Order Lifting the "automatic stay" in favor of the landlord. However, the parties resolved those issues, and have now entered into a new lease contract. The pre-petition lease required the debtor to pay the sum of \$8,000 per month. However, the new lease allowed the debtor to lease only the amount of space required for its business, and reduced the lease payments to \$7,000 per month. Because the debtor was in arrears substantially with the landlord regarding the pre-petition lease payments, the new lease allows the debtor to pay additional amounts each month in order to cure that pre-petition arrearage. As of September 27, 2016, the corporation was \$26,500 in arrears pre-petition and \$16,000 in arrears post-petition. However, the corporate principal, Jenn Luke, was able to sell personal items owned by her in order to pay \$20,000 toward the arrearage. Under the terms of the new lease, beginning November 1, 2016, the debtor will pay the sum of \$7,000 per month for future rent, plus \$1,000 per month toward the arrearage until it is cured in full.

#### Debtor's intentions in its plan of reorganization

The debtor proposes in its chapter 11 plan of reorganization to pay tax creditors their unsecured priority amounts in full with 4% interest over a period of 50 months. General unsecured creditors will be paid a

percentage of their respective debts on a pro rata basis without interest over a period not to exceed 60 months. No secured claims have been filed with the Court, and none were scheduled in the debtor's bankruptcy schedules filed with the Court. All payments under the chapter 11 plan will commence on the "effective date of the plan", which is the 15<sup>th</sup> day after the Court enters its Order Confirming the Chapter 11 Plan.

### Source of information used in Disclosure Statement

The source of information used in this Disclosure Statement includes the following:

- (1) Debtors' opinion
- (2) Debtors' schedules filed with the bankruptcy court
- (3) Financial statements prepared by Debtors' accountant, with cooperation of the Debtors
- (4) Notes and invoices provided by the Debtors
- (5) Proofs of claims and other documentation filed and/or provided by creditors
- (6) Monthly operating reports filed with the bankruptcy court
- (7) Tax returns
- (8) Offers to purchase property of the debtor as described above
- (9) Other documents filed with the Court

All who review this Disclosure Statement should be aware that no official audit of the Debtors' books has been performed, and the information provided to the Debtors' accountant and attorney is provided by the Debtors and is unaudited and some information is based upon the Debtors' opinions. Therefore, creditors and parties in interest should review the entire Disclosure Statement with that in mind. Additionally, each should review not just the Disclosure Statement, but also the entire Plan of Reorganization in making a decision to accept or reject the Plan. No actual risks are posed to creditors under this Plan, and based upon the liquidation analysis it is the Debtors' opinion and the opinion of their attorney that creditors will receive more under this Chapter 11 Plan than in a Chapter 7 liquidation of assets. However, each creditor should understand that the Plan of Reorganization once approved by the Court does in fact represent a legally binding arrangement, and therefore, should be read in its entirety as opposed to relying solely on the summary of the Plan reflected in the Disclosure Statement. Also, of importance is the fact that Bankruptcy Court approval of the Disclosure Statement does not constitute approval by that Court on the merits of the Plan of Reorganization. These are two separate and distinct documents, and approval of one by the Court is determined separately and distinctly from approval of the other.

No creditors' committee exists in this case. No preferential or other avoidable transfers occurred in this case. No affiliates of the Debtor are involved in this case. No securities are involved in this case. No future transactions involving insiders or affiliates are expected as none are relevant to this case. The Debtors are consulting with their accountant regarding potential tax consequences resulting from the Plan.

The Debtors ask that each creditor and party in interest review this Disclosure Statement and Plan of Reorganization, and the Debtors ask that each cooperate in allowing all a successful reorganization effort in order to bring resolve to these matters.

### INSIDERS

Two creditors listed in the plan and disclosure statement are insiders: 1. John Luke, the father of the 100% principal of the debtor corporation, and Taylor Cannon, the son of the 100% principal of the debtor corporation. Both are listed in class 6 as general unsecured creditors. 11 U.S.C. section 101(31)(B)(vi) includes as an insider a relative of an officer or person in control of a corporation. When a creditor is deemed to be an insider, the level of scrutiny on the creditor's proof of claim is higher. See *In re Harford Sands Inc.*, 372 F.3d 637, (4<sup>th</sup> Cir. 2004). Because they are insiders, any vote cast by either of them will not be counted.

**THE ABSOLUTE PRIORITY RULE**

If a class of unsecured creditors is impaired and does not accept the proposed plan, the class may nevertheless be compelled to accept the treatment proposed under the plan under section 1129(b)(2)(B). Under this section, the Court may confirm a plan notwithstanding the rejection by an impaired class of unsecured claims if the plan: (1) does not discriminate unfairly; and (2) is "fair and equitable" with respect to each non-accepting, impaired class. A plan is fair and equitable with respect to a non-accepting class of unsecured claims in two instances: First, under section 1129(b)(2)(B)(ii), a plan may not "cram down" treatment on an unsecured class of creditors rejecting the plan if the debtor intends to retain any ownership interest if such debtor is in a class junior to the class of non-accepting unsecured creditors. However, under section 1129(b)(2)(B)(i) a plan is fair and equitable with respect to a non-accepting class of unsecured creditors if the plan provides that each holder of a claim in the rejecting class will receive or retain, on account of its claim, property (including cash, stock or other securities) of a value, as of the effective date of the plan, equal to the allowed amount of the claim. The debtor believe the proposed plan meets the requirements of section 1129(b)(2)(B)(i).

**TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

**Class 1** Except to the extent that the holder of a particular claim has agreed to a different treatment, with respect to a Class of claims of a kind specified in §507(a)(1), 507 (a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of such Class will receive:

- (i) if such Class has accepted the Plan, deferred cash payments of a value, as of the effective date of the Plan, equal to the allowed amount of such claim, or
- (ii) if such Class has not accepted the Plan, cash on the effective date of the Plan equal to the allowed amount of such claim.

**Class 2** Except to the extent that the holder of a particular claim has agreed to a different treatment, with respect to a claim of a kind specified in §507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the Plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim. As to a claim of a kind specified in §507(a)(8), the holder of such claim will receive on account of such claim regular installment payments in cash,

- (i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;
- (ii) over a period ending not later than 5 years after the date of the order for relief under §301, 302, or 303; and
- (iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under §1122(b).

**Class 3:** Secured Claims held by creditors with security interests in real and/or personal property,

including stock, shall be paid in monthly installments beginning on the Effective Date of the Plan and continuing until such time they are paid in full, unless the collateral security these debts is to be surrendered, in which case any deficiency shall be treated as an unsecured claim. The property securing the Secured Claims will remain subject to the liens and interests of each secured creditor to the extent of the value of the collateral until such claims are paid. Class 3 shall be treated as separate classes for voting purposes, and shall be deemed to be impaired. If property upon which a lien or mortgage has been perfected is sold, then the value of such allowed secured claims shall be paid from proceeds of the sale in the order of priority according to 11 U.S.C. §363 and all other applicable sections of the Code. Class 4 Judgment Creditor Claims and Mechanics Liens, if any are impaired under the Plan. If property upon which a judgement has been perfected is sold, then such Class shall be paid their allowed Claims without interest from any proceeds remaining from the sale of that property to which any judgment lien attached, in the order of the date of filing of judgment liens, but only after all Class 3 Claims secured by such property have been paid in full. Otherwise, judgement creditors shall be paid in monthly installments beginning on the Effective Date of the Plan and continuing until such time as they are paid in full. To the extent of any deficiency, Judgment Creditor Claims shall be treated as Unsecured Claims.

Class 5 Executory Contracts and Unexpired Leases

All Contracts which existed as of the Filing Date between the Debtors and any individual or entity, whether such contract be in writing or oral, which have not heretofore been accepted by Final Order or in the Plan of Reorganization, are hereby specifically rejected. Any person or entity claiming rights under an executory contract or unexpired lease rejected pursuant to the provisions of this Article or 11 U.S.C. Section 365 shall have thirty (30) days after the Confirmation Date to file a proof of claim, or such additional time as the Court, before that date, may allow. This Class is deemed to be impaired.

Class 6 Claims of General Unsecured Creditors shall be impaired under the Plan. Such Class shall be paid a percentage of their allowed Claims without interest after the Effective Date as set forth in this Plan of Reorganization. This Class is deemed to be impaired.

Class 7 Claims of Insiders Who Will Be Paid Through The Plan. Although, this class will receive less

than the class 6 general unsecured creditors, due to its insider status, this class is not impaired under the Plan.

**Class 8 Equity ownership.** This class will receive no monies; however, the stock ownership if the debtor is a corporation, by members of this Class shall be retained. If the debtor is not a corporation, then equity ownership will include partnership property if the debtor is a partnership or any interest in personal or real property of the debtor if the debtor is an individual. This Class shall be deemed to be impaired.

**LIQUIDATION ANALYSIS**

The bankruptcy schedules filed with the Court reflect the following:

Asset	Value	Claim	Net Equity
Real property: The debtor owns no real property.			
Checking accounts & cash	\$ 1,400	\$0.00	\$ 1,400
Inventory of beer, wine liquor & food	\$10,673	\$0.00	\$10,673
Office furniture, equipment & fixtures	\$158,786	\$0.00	\$158,786
<b>Totals</b>	<b>\$170,859</b>	<b>\$0.00</b>	<b>\$170,859</b>

\* Because the total equity in the debtor corporation's assets equals \$170,859, and the unsecured priority claims total \$203,411.91, there would be no distribution to general unsecured creditors in a hypothetical liquidation of assets in chapter 7. However, the debtor offers a twenty-five (25%) distribution to general unsecured creditors in this chapter 11 plan of reorganization.

\*\*Because the debtor is a corporation, and not an individual, it is not entitled to property exemptions.

\*\*\*Schedules "A" and "B" which include summaries of asset values is attached hereto as Exhibit A (11 pages), and made a part of this Disclosure Statement.

**SUMMARY OF OPERATING REPORT PROFIT/LOSS STATEMENTS FILED WITH COURT**

<u>Month/Year</u>	<u>Income</u>	<u>Expenses</u>	<u>Profit/Loss</u>
July, 2016	\$55,438.00	\$63,852.00	(\$8,414.00)
August, 2016	\$62,246.00	\$71,087.00	(\$8,841.00)
September, 2016	\$69,969.09	\$70,676.43	(\$707.34)

October, 2016	\$73,381.42	\$70,974.56	\$2,406.86
November, 2016	\$73,884.58	\$73,474.47	\$410.11
December, 2016	\$84,911.81	\$76,085.36	\$8,826.45
January, 2017	\$76,911.32	\$68,547.59	\$8,363.73

As may be noted by the schedule of distribution of payments to creditors reflected below, unsecured creditors will receive a total of \$1,045.02 per month under the proposed plan. Priority creditors will be paid a total of \$4,416.54 under the proposed plan. As is reflected in class 5, the debtor's landlord will continue to receive the total sum of \$8,000 per month for approximately another 24 months at which time the arrearage having been paid, the per month total will reduce to \$7,000 per month, thereby allowing the sum of \$1,000 per month to be paid to other creditors under the proposed plan of repayment.

Because the debtor has in November, December and January paid the \$8,000 per month to the landlord under class 5, this leaves the total sum of \$5,461.56 to other creditors under the proposed plan. The above income versus expenses average reflects a loss in the first five months of (\$3,029.07) per month. This is not unusual for a debtor in a chapter 11 reorganization in the first few months as the debtor is "crawling out of a hole." More importantly are the income and expense figures going into the later months of a reorganization. As noted the debtor had been "doubling up" on post-petition tax payments, and this was discussed on the record at the initial Disclosure Statement hearing two weeks ago. Since November, the debtor has shown a profit of \$8,826.45 for December, and \$8,363.73 for January, which indicates that since the corporation is no longer "doubling up" on those tax payments, it can sustain a profit sufficient in amount to fund the proposed chapter 11 plan.

As to the reason for the chapter 11 filing, the debtor proposes the following explanation: Prior to the filing of the chapter 11, two employees had stolen a considerable amount of money from the corporation, which caused it to get seriously behind with its debts. Also, in the months leading up to the filing of the chapter 11 reorganization, the S.C. Department of Revenue had placed a considerable amount of pressure on the debtor corporation, due to its having fallen behind with state withholding taxes. The same was true of the Internal Revenue Service. The S.C. Department of Revenue began levying on the debtor's bank accounts, thereby causing it to get further behind with its non-tax debts. This resulted in the debtor's having less and less funds with which to purchase inventory. Thereby, sales depleted considerably compared to past years. Therefore, in the first several months of the chapter 11 reorganization, the debtor was forced to replenish its inventory in order to increase sales. Now that the inventory has been "leveled out", the debtor anticipates that this will allow approximately \$2,000 per month that had been going to replenish inventory to now go toward the proposed plan payments. Additionally, because the debtor had been struggling with lease payments for the commercial site in addition to replenishing inventory, profit was at a standstill, and a loss resulted for most of the first few months of the reorganization. Now that the debtor has renegotiated a new lease contract with the landlord, that issue having been resolved will allow the debtor to more properly budget its expenses in an effort to comply with the proposed plan. Moreover, during the first few months of the reorganization, because the debtor had to struggle with the above issues as stated, it had fallen behind temporarily with post-petition tax obligations. This resulted in the debtor having to pay double payments to tax entities in order to catch up that arrearage. As of January 1, 2017, the debtor has in fact resolved all of the above-stated issues with which it had struggled thus far in the reorganization. Going forward, the debtor's objective is to return to sales of \$24,000 per week as it had done in past years. This should as in past years easily allow the debtor to sustain a \$2,000 per week profit, equaling \$8,667 per month with which to fund the plan. The debtor asks for the patience and cooperation of its creditors in an effort to have a successful reorganization for all.

SCHEDULE OF DISTRIBUTION OF PAYMENTS TO CREDITORS

Class 1. Administrative Claims



Office of the United States Trustee: The debtor will continue to pay quarterly fees to the Office of United States Trustee under 11 USC section 1930(a)(6) until a final decree closing case is issued.

**Class 2. Priority Claims**

**Internal Revenue Service:** This creditor filed an amended proof of claim on 1/19/17 in the amount of \$173,608.94 in this priority class. The debtor will pay the sum of \$3,775.33 per month, which includes 4% fixed annual interest for a period of 50 months from the “effective date of the plan”, which is the 15<sup>th</sup> day after the Court enters its Order Confirming the Plan.

**Internal Revenue Service:** This creditor filed an additional priority claim on January 19, 2017 alleging that the debtor owes post-petition withholding taxes for the quarters ending 9/30/16 and 12/31/16. As was announced on the record in a hearing held two weeks prior to the filing of this Disclosure Statement, the debtor is current with those taxes. Therefore, the debtor does not intend to pay this claim in the chapter 11 plan. By consent between this creditor and the debtor each will provide an accounting of payments paid and received for these two quarters, and make best efforts to resolve this issue in which case if successfully done, the creditor will amend or withdraw this claim.

**S.C. Department of Workforce:** This creditor filed a proof of claim in the amount of \$24,530.24. The debtor will pay the sum of \$533.44 per month, which includes 4% fixed annual interest for a period of 50 months from the “effective date of the plan”, which is the 15<sup>th</sup> day after the Court enters its Order Confirming the Plan.

**S.C. Department of Revenue:** This creditor filed a priority claim in the amount of \$1,154.79. The debtor will pay the sum of \$25.11 per month, which includes 4% fixed annual interest for a period of 50 months from the “effective date of the plan”, which is the 15<sup>th</sup> day after the Court enters its Order Confirming the Plan.

**York County Tax Collector:** This creditor filed a proof of claim in the amount of 3,801.08. The debtor will pay the sum of \$82.66 per month, which includes 4% fixed annual interest for a period of 50 months from the “effective date of the plan”, which is the 15<sup>th</sup> day after the Court enters its Order Confirming the Plan.

**Class 3. Secured Claims**

None

**Class 4: Judgments and Mechanic’s liens:**

None

**Class 5: Unexpired leases and executory contracts:**

Nancy M. Smith, d/b/a N&W Smith Properties c/o S. Nelson Weston, Jr., Esquire of Columbia. The lease of the real property upon which the debtor operates its business expired prior to the filing of the chapter 11 reorganization. The “automatic stay” was lifted on September 29, 2016, as there was no lease to “accept or reject” under 11 USC section 365. However, the parties entered into a new lease upon which the debtor will pay the sum of \$7,000 per month for future rent, plus the additional sum of \$1,000 per month toward the arrearage amount. These payments commenced November 1, 2016. The balance of arrearage at that time was \$27,500 according to the new lease agreement.

**Class 6. General unsecured creditors**

**Airgas:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 300.00. The debtor will pay this creditor the sum of \$6.25 per month without interest for 12 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**ASCAP:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 500.00. The debtor will pay this creditor the sum of \$10.42 per month without interest for 12 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Bank of America:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 5,264.00. The debtor will pay this creditor the sum of \$36.56 per month without interest for 36 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Bruce Truesdale, CPA:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 4,000.00. Per court order entered 11/22/16 this creditor will be paid outside this plan by the debtors’s principal, Jennifer Luke, and neither this creditor nor Jennifer Luke will seek reimbursement through this chapter 11 plan.

**Buzztime:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 600.00. The debtor will pay this creditor the sum of \$12.50 per month without interest for 12 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Cintas:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount

of 300.00. The debtor will pay this creditor the sum of \$6.25 per month without interest for 12 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Citibank:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 4,000.00. The debtor will pay this creditor the sum of \$27.78 per month without interest for 36 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Directv:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$1,000.00. The debtor will pay this creditor the sum of \$13.89 per month without interest for 18 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Enviromaster:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 600.00. The debtor will pay this creditor the sum of \$12.50 per month without interest for 12 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Gary and Iris Rumick:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$45,000.00. The basis of this claim is that the debtor personally guaranteed a loan secured by a lot adjacent to the corporate location, which had been used as a parking lot for the sports bar and grill. Payments from the principal debtor on the loan are in arrears and the Rumick's are foreclosing on the lot. Therefore, this creditor will be paid nothing in this chapter 11 plan at present. However, upon liquidation of the security (i.e. the lot) securing the debt, this creditor can within a reasonable time thereafter, file an amended claim for an unsecured deficiency if any, and be paid twenty-five (25%) percent of that amount without interest over a period of 60 months.

**Gordon Food Service:** This creditor filed a proof of claim in the amount of \$1,502.13. The debtor will pay this creditor the sum of \$15.65 per month without interest for 24 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Home Depot:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 3,582.00. The debtor will pay this creditor the sum of \$24.88 per month without interest for 36 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Internal Revenue Service:** This creditor filed a proof of claim in this class on 1/19/17 in the amount of \$43,419.39 The debtor will pay this creditor the sum of \$217.10 per month without interest for 50 consecutive

months until twenty-five (25%) percent of the total allowed claim is paid.

**John Luke:** This creditor, who is the debtor's father, filed a proof of claim in the amount of \$164,905.00. The debtor will pay this creditor the sum of \$572.59 per month without interest for 72 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Pure Force:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 600.00. The debtor will pay this creditor the sum of \$12.50 per month without interest for 12 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**S.C. Department of Revenue:** This creditor filed a proof of claim in the unsecured class in the amount of \$215.50. The debtor will pay the sum of \$4.49 per month without interest over 12 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**SESAC:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 800.00. The debtor will pay this creditor the sum of \$13.33 per month without interest for 15 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Taylor Cannon:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 50,000.00. This creditor is the son of the corporate principal, Jenn Luke. The debt is based upon funds the creditor loaned the corporate debtor. Per agreement between the debtor and creditor, no payments will be made in this chapter 11 plan to the creditor, and the parties will resolve the matter in some fashion after the chapter 11 case has been closed.

**US Bank:** This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of 14,000.00. The debtor will pay this creditor the sum of \$58.33 per month without interest for 60 consecutive months until twenty-five (25%) percent of the total allowed claim is paid.

**Class 7: Insider To Be Paid Under Plan:** **John Luke:** This creditor, who is the debtor's father, filed a proof of claim in the amount of \$164,905.00. The debt arose over a period of time in the form of various loans to the debtor corporation. Because this creditor is an insider, he will be paid the sum of \$549.68 per month without interest over 60 consecutive months until twenty-percent (20%) percent of the total allowed claim is paid.

**Class 8. Equity Ownership: The debtor will retain all interest in property that it owns.**

**DEBTOR IS A CORPORATION, AND WILL RETAIN ITS STOCK OWNERSHIP. SEE  
PARAGRAPH 3.07 ABOVE.**



**Robert H. Cooper, Dist. Ct. ID #5670  
THE COOPER LAW FIRM  
Attorneys for the Debtor  
150 Milestone Way, Ste B  
Greenville, South Carolina 29615  
(864) 271-9911  
(864) 232-5236  
[rhcooper@thecooperlawfirm.com](mailto:rhcooper@thecooperlawfirm.com)**

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Greenville, South Carolina.**