

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE:

Case no. 16-04993-DD

Ratamess Chiropractic Clinic, PC
311 West Palmetto Strret
Florence, SC 29501

Chapter 11

Debtor in possession

SECOND AMENDED DISCLOSURE STATEMENT

Ratamess Chiropractic Clinic, PC, the debtor-in-possession, now comes before the Court to file its SECOND AMENDED DISCLOSURE STATEMENT to add or edit the following: Lease Finance Group, LLC listed in class 6 in the original AMENDED DISCLOSURE STATEMENT in the amount of \$5,353.00 has been removed as that debt was disputed in the bankruptcy schedules, the leased credit card terminal was surrendered pre-petition, and the creditor has advised that the party liable for the debt is Dr. Scott Ratamess, the debtor's principal, and not the corporation. No proof of claim was filed pertaining to this debt. Also, the Wells Fargo debt listed in class 6 in the amount of \$5,602.00, upon further investigation is a duplicate of the Wells Fargo debt listed in class 5 in the amount of \$5,813.48. No proof of claim was filed as to the \$5,602.00 amount. That debt has been removed. However, Wells Fargo did file a proof of claim as to the \$5,813.48 amount. That debt will be paid. Additionally, information has been added in this SECOND AMENDED DISCLOSURE STATEMENT to clarify that the debtor-in-possession has been paying the \$1,000 per month re-amortized mortgage payments to First Citizens Bank (class 3 claim), the \$500.00 per month to The Cooper Law Firm (class 1 claim), plus the Northern Leasing (\$91.00) (class 5 claim) and Wells Fargo (\$550.00) (class 5 claim) lease payments as part of its expenditures listed in the "SUMMARY OF OPERATING REPORT PROFIT AND LOSS STATEMENTS FILED WITH THE COURT" on page 10 of the original AMENDED DISCLOSURE STATEMENT. Therefore, the statement below the profit/loss summary that the debtor's profit/loss statements do not show its ability to fund the proposed plan is incorrect. See page 11 at top of page. This is because, of the total months proposed chapter 11 plan payments, the sum of \$2,141.00 was already being paid. The amount the debtor would then need to make up is not the entire per month proposed plan payments amounts, but instead the difference between that amount and the amount included in its expenditures that it has already been paying. The result, therefore, is \$3,374.38 current proposed plan payments in SECOND AMENDED PLAN (formerly \$3,556.97 in original AMENDED PLAN) - \$2,141.00 = \$1,233.38. In the original AMENDED DISCLOSURE STATEMENT, the debtor's profit thus far to the point of the filing of that document equaled \$1,346.99 per month. Therefore, based upon all of the above, the debtor would not need to sell or refinance its commercial building upon which it operates as suggested in the original AMENDED DISCLOSURE STATEMENT. For full disclosure, however, added to this SECOND AMENDED DISCLOSURE STATEMENT is the debtor's most recently filed operating report that covers the period April 1 -30, 2017, which does not reflect a profit, but instead reflects a negative in the amount of (\$3,801.34). This changes the debtor's profit thus far, since the filing of the chapter 11 reorganization, to only a \$611.51 per month average. However, added to this SECOND AMENDED DISCLOSURE STATEMENT is an updated analysis of the debtor's accounts receivables as reflected in the April, 2017, operating report in the amount of \$184,056.49, plus the fact that the debtor had in its bank account a surplus cash amount of \$22,958.17, both which could assist in funding the debtor's proposed chapter 11 plan. In the original AMENDED DISCLOSURE STATEMENT, the debtor addressed his thoughts regarding obtaining a loan against the equity in the commercial building upon which it operates its business. It also addressed the issue of potentially selling the commercial building to "cash out" the equity in the building. In this SECOND AMENDED DISCLOSURE STATEMENT, however, the debtor intends to make it clear that it does not intend to use either of those options to fund its chapter 11 plan, unless it becomes absolutely necessary to do

so. The debtor's principal, Dr. Scott Ratamess, and his office manager/bookkeeper fell confident that the debtor corporation can feasibly fund its proposed chapter 11 plan, based upon cash flow, receivables, and cash surplus currently held on deposit in its "DIP" account.

Ratamess Chiropractic Clinic, PC, the debtor-in-possession, provides this Disclosure Statement to all of its known creditors in order to disclose that information deemed by the Debtor 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 preliminary approval of the Disclosure Statement will have already been authorized by the Court. However, a hearing on final approval of the Disclosure Statement, and on Confirmation of the Chapter 11 Plan will have been scheduled, notice of which you will be given along with this Disclosure Statement with a copy of the Proposed Chapter 11 Plan. This is the procedure for "Small Business Debtors" under 11 USC section 101 (51).

The next step is for you to vote to accept or reject the Debtor's Plan of Reorganization. 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 that 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 Debtor's Plan of Reorganization is based upon the Debtor's belief that the present forced liquidation (Chapter 7) net value of its principal assets would offer a less recovery to creditors than the current proposed chapter 11 Plan. The Debtor believes 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 both pre and post-petition, according to the pertinent statutes.
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.

**A HEARING WAS HELD REGARDING WHETHER OR NOT A HEALTH CARE
OMBUDSMAN WOULD NEED TO BE APPOINTED BY THE COURT**

On September 30, 2016, the debtor-in-possession (hereafter "debtor") filed for relief pursuant to Chapter 11 of the United States Bankruptcy Code. The petition indicates that the debtor is a health care business. The debtor's practice is general chiropractic patient care. Section 101(27)(A) of Title 11 provides

in part that a health care business means any public or private entity that is primarily engaged in offering to the general public facilities and services for the diagnosis and treatment of injury, disease and obstetric care; and (B) includes any (I) general or specialized hospital; (II) ancillary, ambulatory, emergency, or surgical facility; (III) hospice; (IV) home health agency; and (V) other health care institution that is similar to an entity referred to in subclause (I), (II), (III), or (IV).

Two lines of cases exist on this issue as follows: One line of cases finds that “subsection (A) provides the elements, and subsection (B) provides examples.” In re Smiley Dental Arlington, PLCC, 503 B.R. 680 685-686 (Bankr. S.D. Tex. 2008); In re Alternate Family Care, 377 B.R. 754, 757 (Bankr. S.D. Fla 2007). Thus, a large number of entities would meet the definition of a health care business. The second line of cases connects the two subsections requiring that the debtor’s business involve “direct and ongoing contact with patients’ that provides patients with ‘shelter and sustenance in addition to medical treatment.’” Id. (citing In re Anne C. Banes, DDS, PLLC, 355 B.R. 532, 535 (Bankr. M.D.N.C. 2006).

The debtor’s petition designates that it is a health care business. As such, pursuant to 11 U.S.C section 333(a)(1), the court shall order, not later than 30 days after the commencement of the case, the appointment of an ombudsman to monitor the quality of patient care, and to represent the interests of the patients, unless the court finds the appointment is not necessary for the protection of the patients under the specific facts of the case. Pursuant to Federal Rules of Bankruptcy Procedure 2007.2(a), a party in interest may file a motion, no later than 21 days after the commencement of the case, stating the position that the appointment of an ombudsman is not necessary. As the statute creates a presumption that a patient care ombudsman will be appointed if the debtor is a health care business, the party moving to waive the appointment of such ombudsman bears the burden of showing why the ombudsman appointment is not necessary.

In assessing whether a patient care ombudsman is necessary, courts have reviewed the following nine non-exclusive factors:

1. The cause of the bankruptcy;
2. The presence and role of licensing or supervising entities;
3. The debtor’s past history of patient care;
4. The ability of the patients to protect their rights;
5. The level of dependency of the patients on the facility;
6. The likelihood of tension between the interests of the patients and that of the debtor;
7. The potential injury to the patients if the debtor significantly reduced its level of patient care;
8. The presence and sufficiency of internal safeguards to ensure that the appropriate level of care is maintained; and
9. The impact of the cost of an ombudsman on the likelihood of a successful reorganization.

In re Valley Health Sys, 381 B.R. 756 (Bankr. C.D. Cal. 2008); In re Alternate Family Care, 377 at 758. Other factors to be considered by the court include the following:

1. The high quality of the debtor’s existing patient care;
2. The debtor’s financial ability to maintain high quality patient care;
3. The existence of an internal ombudsman program to protect the rights of patients; and/or
4. The level of monitoring and oversight by federal, state, local or professional association programs, which renders the services of an ombudsman redundant.

See Valley Health, 381 B.R. at 761 (citing Collier on Bankruptcy P 333.02, at 333-4 (Alan N. Resnick & Henry J. Sommer eds., 15th ed. 2007).

It is the debtor’s position that an ombudsman of the type prescribed in the above statute is not needed in this case. To aid the court in its decision on this matter, the debtor submits the following:

The debtor’s sole principal is Dr. Scott A. Ratamess, DC. Mr. Ratamess graduated from the Logan College of Chiropractic in 1994. He has for the 22 years subsequent to that, practiced chiropractic care on a full time basis. Dr. Ratamess diagnoses and treats common spinal misalignments that can occur from a

patient's lifestyle, or from injuries, either of which cause pain, discomfort and degenerative conditions. He treats back pain, sciatica, neck pain, shoulder pain, headaches, sports injuries, and auto accident injuries among others. Dr. Ratamess receives referrals from patients, other physicians and medical care providers as well as personal injury attorneys in the Florence, SC and surrounding areas. The debtor employs four "W-2" employees and four "1099" statutory employees. Dr. Ratamess is the sole chiropractic physician in the office. The debtor has one location at 311 West Palmetto Street, in Florence, SC (29501). Dr. Ratamess is a physician registered in the Centers of Medicare & Medicaid Services (CMS). The National Provider Identifier (NPI) of the National Plan and Provider Enumeration System (NPPES) is 1710926613. The unique individual professional ID assigned by Provider Enrollment, Chain, and Ownership System (PECOS) is 7911947080. Dr. Ratamess's primary specialty is chiropractic.

Dr. Ratamess employs a policy of professional care among he and his staff that ensures the proper care and treatment for his patients. Further, he employs policies within his office that provide a standard of care that ensures that patients' medical records are kept in a manner consistent with all state and federal guidelines. Dr. Ratamess has no history of medical malpractice claims, and no history of sanctions. He sustained one patient complaint to the Board of Chiropractic Physicians that pertained to a dispute over fees charged in an invoice. He maintains his chiropractic health care practice in a manner consistent with Title 40 of the S.C. Code of Laws, and he maintains patient record keeping in accordance with section 44-115-120 of the S.C. Code of Laws.

Therefore, the debtor's position suggests that no such ombudsman need be appointed by the court in this matter as the debtor's principal, Dr. Scott A. Ratamess and his staff of eight persons conduct themselves in a manner consistent with administrative requirements and state and local laws. Further, they monitor the quality of patient care and record keeping consistent with that which an appointed ombudsman would do, and they will continue to do so, while ensuring that such patient care and record keeping does not decline or otherwise be materially compromised in accordance with the wishes of Congress when enacting section 333 of the Bankruptcy Code. Moreover, the appointment of such ombudsman would be costly, its benefit would not outweigh its costs, and such appointment would be a redundancy of the duties presently performed by the debtor's principal and its staff. If the standard of care falls to a level at a later point in this case that results in a significant decline, or otherwise materially compromises patient care and record keeping, then the court would be free to appoint such ombudsman at that time. The debtor does not anticipate this happening, however.

On October 20, 2016, the Court held a hearing on the matter of the Ombudsman and agreed with the debtor in possession that such Ombudsman was not needed in this case. On October 26, 2016, the Court entered an Order Approving attorney Robert H. Cooper as counsel for the debtor in possession. The debtor filed 33 pages of schedules of its assets and liabilities with other financial documentation on October 27, 2016. On November 2, 2016, the Office of United States Trustee filed its Notice that no unsecured creditor's committee had been formed in this case. On November 3, 2016, the debtor filed its "Initial Debtor in Possession" Report reflecting that it had opened three new bank accounts and filed proof of insurance as required by the United States Trustee Guidelines. On November 4, 2016, the debtor filed its 2015 tax return with the Court along with income and expense statements. It also filed its Report under FRBP 2015.3 stating it did not own or control a substantial interest in any other corporation or entity. Also on November 4, 2016, the debtor filed statement required under 11 USC section 1116 that although federal and state tax returns were current that included profit and loss statements, but no balance sheet. Its principal was acknowledging under that statute the most recent financial statements. Also, on that date, the debtor filed its required six month projections anticipated as to income and expenses for the first six months of the case. On November 7, 2016, the debtor's "First Meeting of Creditor's" was held. At that meeting the debtor's principal, Dr. Scott Ratamess testified under oath, and answered all questions asked by any party that attended the meeting, including those posed by the attorney administering the meeting from the Office of the United States Trustee. On March 13, 2017, the debtor and its mortgagee, holding a lien upon its commercial property, used as its principal place of business, filed with the Court an agreement re-amortizing that debt to reduce the monthly payments. The Court entered its Order Approving that Agreement on March 28, 2017, a copy of which was served on all creditors and parties in interest. The terms of this agreement are stated in Class 3 "secured creditors" and made a part of this Disclosure Statement and the Proposed Chapter 11 Plan. During the course of the debtor's chapter 11 reorganization, it has filed operating reports on a monthly basis as required

by statute that reflect income and expenses of the debtor. It has also paid quarterly fees to the Office of United States Trustee as required by statute. All filed documents that are available by statute can be viewed via the electronic system known as Public Access to Court's Electronic Recording system ("PACER").

DEBTOR'S REASON FOR FILING THE CURRENT CHAPTER 11 PLAN

In August of the year 2008, the debtor began experiencing a downturn in business as the American economy "crashed." In addition to that, the "Affordable Care Act" caused further problems in the medical industry, which adversely affected the debtor's business. To add to the problem, the Medicare system underwent an overhaul, which caused "slow pay" from the government and an enormous amount of additional paperwork, which adversely affected the medical industry that included the debtor's business. In order to attempt to resolve these issues, the debtor borrowed funds from secondary lenders that charged exorbitant interest rates and fees, and drafted funds on a daily basis for repayment of its loans. The debtor did so in order to provide cash flow, while awaiting the slow pay of Medicare for those patients. With such "red tape" added to the applications for payment from Medicare, plus the lengthy time it now took to get paid from that system, the cash flow of the business had suffered more than anytime in its history. A short time thereafter, however, the debtor's principal realized that this borrowing from high interest loan companies did not improve the situation, but instead caused a worsening of the financial dilemma for the business. After much consideration, therefore, the debtor's principal decided to place the business in a chapter 11 reorganization.

DEBTOR'S INTENTIONS AS TO PROPOSED CHAPTER 11 PLAN

As may be noted by the schedule of distribution of payments to creditors reflected below, The Cooper Law Firm will be paid the sum of \$500.00 per month as a class 1 administrative priority. Class 2 priority creditors will be paid one payment of \$26.39 under the proposed plan as only one such creditor exists. Class 3 secured creditors will be paid the sum of \$1,137.35 per month. The sole class 4 judgment creditor will be paid the sum of \$48.22 per month. Class 5 executory contracts and unexpired leases will be paid the sum of \$641.00 per month. Class 6 general unsecured creditors will receive a total of \$1,047.81 under the proposed SECOND AMENDED PLAN, and not the \$1,230.40 per month under the original AMENDED CHAPTER 11 PLAN. Therefore, after the one payment of \$26.39 to the sole class 2 priority creditor, the debtor will pay the sum of \$3,374.38 under the proposed SECOND AMENDED CHAPTER 11 PLAN, and not the \$3,556.97 per month in total plan payments under the original AMENDED CHAPTER 11 PLAN. Based upon the fact that the debtor has already been paying \$2,141.00 of the total \$3,374.38 per month amount, plus factoring in its average \$611.51 profit per month, this would leave only the sum of \$621.87 per month for the debtor to make up.

STATUS OF DEBTOR'S ACCOUNTS RECEIVABLES

According to the most recent operating report filed with the Court, which covers the period from April 1-30, 2017, the debtor has a cash surplus of \$22,958.17 that can be used to help fund the plan by easily making up that \$621.87 per month shortage. Moreover, also according to that most recent operating report, the debtor has outstanding receivables in the amount of \$184,056.56. The actual total had been \$226,156.49; however, the debtor ceased carrying the sum of \$42,099.93 on its books as uncollectible. In the normal course of its business, the debtor treats patients, who have sustained injuries as a product of daily living, or as a result of a past injury. Those patients pay on their own volition. Some, however, have health insurance that assists in paying for their treatment. Either way, the debtor must await such payment which could take from 30 days to 120 days or more. Additionally, as part of the debtor's chiropractic care business, it accepts patients, who are victims of personal injury causes of action. As such, personal injury attorneys refer clients as patients to the debtor for chiropractic care. In the personal injury legal business, many cases are settled without formal litigation; however, even without formal litigation, the case might not be settled for nine to eighteen months as the client/patient must undergo medical treatment until the physician deems the patient as having received the most medical care that can be offered under the circumstances of each case. The same is true of cases that mandate litigation. Therefore, adding the length of time for litigation with the time for medical treatment could cause a case not to be resolved for as much as two to three years or longer in some

cases. Because the debtor like any other medical treatment center must await the resolution of the legal matter prior to receiving its compensation, the debtor often carries on its books receivables that extend well beyond the norm for most business models. As an example, in the receivables category in which the patient without insurance pays on their own volition, approximately 70% of the receivables exceed 120 days in recovery. The remaining 30% runs within the 30 to 90 day collectible period, due to the fact that the patient has some type of insurance to cover the cost, and the debtor is simply awaiting that paperwork process. The debtor is owed \$99,780.00 as currently being carried on its books in this category. However, in the receivables category in which personal injury legal cases are assigned to the debtor, its receivables equal as follows: \$12,428.38 over 120 days due (about 15%); \$8,600.07 that are 91-120 days due (about 10%); \$20,394.37 that are 61 to 90 days due (about 24%); \$22,429.67 that are 31 to 60 days due (about 27%); and \$20,424.07 not more than 30 days due (about 24%). The debtor is owed \$84,276.56 in this category.

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 Debtor's books has been performed, and the information provided to the Debtor's accountant and attorney is provided by the Debtor, and is unaudited and some information is based upon the Debtor's 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. It is the Debtor's opinion and the opinion of its 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, except that Dr. Ratamess, the 100% owner of the debtor, will continue to own and operate it. The Debtor is consulting with its accountant regarding potential tax consequences resulting from the Plan. The Debtor is current with all administrative requirements and is current on all post-petition tax obligations, including payments and filing of returns.

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

INSIDERS

The sole insider as that term is defined under the Bankruptcy Code and Rules is the corporate

president, Dr. Scott A. Ratamess. He will receive no payments under the chapter 11 plan, but will remain in control of the corporation, and continue to receive a salary from it for the value of his services as both corporate president and as the senior chiropractic physician in the corporation.

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 believes that the proposed plan meets the requirements of section 1129(b)(2)(B)(i).

DEFINITION OF IMPAIRMENT OF CLAIMS AND INTERESTS

As a general rule, any alteration of a creditor's or interest holder's legal status constitutes impairment of that claim or interest. In that sense, the concept of impairment is applied broadly in chapter 11 cases. 11 USC section 1124 describes the impairment of claims or interests and exceptions thereto.

POTENTIAL RISKS TO CREDITORS UNDER THE PLAN

A chapter 11 plan is necessarily an estimate of what is likely to occur in the future. It is not a guarantee. Thus while a Court may be reasonably satisfied that a proposed plan will not lead to further reorganization or liquidation not presently contemplated, such a possibility can never be excluded entirely. For example, one Circuit Court made the following statement in that regard: "Although section 1129(a) (11) does not require a plan's success to be guaranteed...the plan must nevertheless propose a realistic and workable framework." See In re American Capital Equipment, LLC, 688 F.3d 145, 156 (3d Cir. 2012). Another Circuit Court stated as follows: "the plan need not contain a guarantee of success; reasonable probability is appropriate standard, based on preponderance of evidence." Matter of T-H New Orleans Ltd. Partnership, 116 F.3d 790,801 (5th Cir. 1997). One risk posed to creditors and parties in interest in any reorganizational attempt, therefore, is that after the case is closed, financial circumstances might change for the debtors, who may then face a need for further reorganization.

Other risks posed to parties is that a chapter 11 plan may "cram down" an amount owed to a creditor or class of creditors that results in their being paid less than contractually owed. Each party, therefore, must make a business decision regarding whether or not the amount proposed to be paid them in a chapter 11 plan is satisfactory under present circumstances as opposed to obtaining full contractual payment absent a bankruptcy, considering costs of collection and potential litigation. The potential of a creditor "writing off" the portion of its debt not paid in the chapter 11 plan to gain a tax benefit is also a consideration.

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 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 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 property that holds the most equity is the commercial building and lot located at 311 West Palmetto Street, Florence, SC upon which the debtor in possession operates its business. Its value according to the debtor's schedules equals \$200,518.00, and the creditor's proof of claim was filed in the amount of \$64,698.16. Therefore, since a corporation is not entitled to an exemption in the property, it appears that \$135,819.84 in equity appears to exist. However, the Florence County Tax Collector holds security interests against the real property in the total amount of \$6,083.05 per its four proof of claims filed with the Court, this reduces the equity in the real property to \$129,736.79. Additionally, the corporation held the sum of \$3,542.01 in liquid assets, plus \$43,871.00 in collectible receivables, \$13,540.00 in office furnishings, and

\$2,000 in equipment with no liens on those assets at the time of the filing of the chapter 11 reorganization. The Guru Electronic Message Center Sign is leased from Northern Leasing Systems, Inc. This results in equity in non-real estate in the amount of \$62,953.01.

* Because the total equity in the debtor corporation's assets (both real property and personal property) equals \$192,689.80, and the unsecured priority claims total \$26.52 per the South Carolina Department of Revenue proof of claim filed with the Court, there would be \$192,663.28 distribution to general unsecured creditors in this chapter 11 reorganization. In a hypothetical liquidation of assets in chapter 7, administrative costs would likely result in a twenty-five (25%) percent reduction in that equity, which would allow the sum of \$144,497.46 to be distributed to general unsecured creditors in such chapter 7 case. **Schedules "A" and "B" which include summaries of asset values is attached hereto as Exhibit A (7 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>
Oct, 2016	\$21,867.88	\$22,053.65	(\$185.77)
(as amended)			
Nov., 2016	\$22,716.97	\$22,547.52	\$169.45
Dec, 2016	\$30,435.16	\$22,941.59	\$7,493.57
Jan, 2017	\$21,148.66	\$28,317.38	(\$7,168.72)
Feb, 2017	\$18,332.36	\$17,485.19	\$847.17
Mar, 2017	\$35,186.50	\$28,260.27	\$6,926.23
April, 2017	\$21,931.75	\$25,733.09	(\$3,801.34)

The total profit resulting from the above operating reports equals \$4,280.59. This equals \$611.51 per month. The total proposed plan payments, after the \$26.39 single payment to the sole class 2 priority creditor is paid, equals \$3,374.38. See below for further discussion.

As may be noted by the schedule of distribution of payments to creditors reflected below, The Cooper Law Firm will be paid the sum of \$500.00 per month as a class 1 administrative priority. Class 2 priority creditors will be paid one payment of \$26.39 under the proposed plan as only one such creditor exists. Class 3 secured creditors will be paid the sum of \$1,137.35 per month. The sole class 4 judgment creditor will be

paid the sum of \$48.22 per month. Class 5 executory contracts and unexpired leases will be paid the sum of \$641.00 per month. Class 6 general unsecured creditors will receive a total of \$1,047.81 per month under the proposed plan. Therefore, after the one payment of \$26.39 to the sole class 2 priority creditor, the debtor will pay the sum of \$3,374.38 per month in total plan payments. In the original AMENDED DISCLOSURE STATEMENT, the debtor's principal addressed his thoughts regarding obtaining a loan against the equity in the commercial building upon which the debtor operates its business. He also addressed the issue of potentially selling the commercial building to "cash out" the equity in the building. In this SECOND AMENDED DISCLOSURE STATEMENT, however, the debtor intends to make it clear that it does not intend to use either of those options to fund its chapter 11 plan, unless it becomes absolutely necessary to do so. The debtor's principal, Dr. Scott Ratamess, and his office manager/bookkeeper feel confident that the debtor corporation can feasibly fund its proposed chapter 11 plan, based upon cash flow, receivables, and cash surplus currently held on deposit in its "DIP" account.

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.

The Cooper Law Firm: The sum of \$8,000 of the original retainer of \$15,000 is currently owed to this party, who is the counsel for the debtor in possession. By agreement, the debtor will pay the sum of \$500 per month for these fees. The law firm estimates that an additional \$10,000 in fees will be owed by the "effective date of the plan." Again, those fees by agreement will be paid at \$500 per month as part of the confirmed chapter 11 plan. The Court must approve all fees for this professional.

Class 2. Priority Claims

South Carolina Department of Revenue & Tax: This creditor filed a proof of claim in the amount of \$26.39 on 03/01/17(claim #7). This creditor will be paid the sum of \$26.39 on the "effective date of the plan", which is the 15th day after the Court enters its Order Confirming the Chapter 11 Plan.

Class 3. Secured Claims

3(A) First Citizens Bank& Trust Company: This creditor's debt was re-amortized by agreement between the parties by and through their respective counsel. The creditor filed a claim in the amount of

\$64,698.16 on 12/06/16(claim #6). The terms of that agreement, which the Court approved by Order dated March 28, 2017, is as follows:

CONSENT ORDER PROVIDING ADEQUATE PROTECTION PAYMENTS

This matter now comes before this Court via the consent of the debtor-in-possession and the creditor, by and through each of their undersigned counsel, for the purpose of presenting to the Court a consent agreement between them that provides adequate protection as that term is defined in 11 U.S.C section 363 as follows:

The creditor, First Citizens Bank & Trust Company, is a creditor of the debtor-in-possession via a promissory note, and that certain mortgage recorded in Florence County, South Carolina that creates a first lien upon the debtor's commercial real property located at 311 West Palmetto Street, Florence, South Carolina.

Per the creditor's proof of claim filed on December 6, 2016, the net balance of the debt was \$64,698.16 as of September 1, 2016. The creditor has incurred attorney's fees in the amount of \$2,000. Therefore, as of February 28, 2017, the net balance due on the note and mortgage was \$66,698.16, plus \$1,650.00 post-petition interest.

The parties have discussed the issues involved in this matter, and have come to an agreement for adequate protection payments as follows: Beginning March 1, 2017, the debtor will pay the sum of \$1,000.00 per month, which includes five and one-quarter (5.25%) percent fixed interest, until the total net balance due in the amount of \$66,698.16 is paid. Additionally, on March 1, 2017, the debtor will pay the post-petition interest, due through February 28, 2017, in the amount of \$1,650.00. All remaining terms of the original note and mortgage with any modifications thereto continue to be in full force and effect.

Should the Debtor fail to make any payment within 30 days of such due date, or fail to maintain full coverage insurance on said property, the creditor, First Citizens Bank & Trust Company, shall be entitled to an automatic lifting of the "automatic stay" under 11 U.S.C. section 362, by affidavit from creditor's counsel certifying the default, without further Order of this Court.

The terms of this consent order shall be incorporated into any confirmed bankruptcy plan.

WHEREFORE, the parties now come before this Honorable Court to request that it enter its Order approving this settlement.

3(B) Florence County Treasurer: This creditor filed a proof of claim (#2) in the amount of \$3,408.74 on 10/14/16. This creditor will be paid the sum of \$76.97 per month, which includes 4% fixed interest for 48 months.

3(C) Florence County Treasurer: This creditor filed a proof of claim (#3) in the amount of \$1,173.37 on 10/14/16. This creditor will be paid the sum of \$26.49 per month, which includes 4% fixed interest for 48 months.

3(D) Florence County Treasurer: This creditor filed a proof of claim (#4) in the amount of \$1,120.49 on 10/14/16. This creditor will be paid the sum of \$25.30 per month, which includes 4% fixed interest for 48 months.

3(E) Florence County Treasurer: This creditor filed a proof of claim (#5) in the amount of \$380.45 on 11/09/16. This creditor will be paid the sum of \$8.59 per month, which includes 4% fixed interest for 48 months.

Class 4: Judgments and Mechanic's liens:

Jacob Plumbing: This judgment is recorded of record in Florence County, SC against Health 1st, which is the d/b/a for the debtor in possession, Ratamess Chiropractic Clinic, PC. This creditor did not file a proof of claim. However, the debtor scheduled this debt in the amount of \$2,540.00. Therefore, this creditor will be paid the sum of \$48.22 per month, which includes 5.25% fixed interest for 60 months.

Class 5: Unexpired leases and executory contracts:

Wells Fargo Financial Leasing, Inc.: This creditor filed a proof of claim on 10/07/16 in the amount of \$5,813.48, which relates to the lease of a Canon 1435i drawer cabinet copier. The original lease began 5/20/16 with monthly payments in the amount of \$91.00 per month for 60 months, plus a residual amount of \$182.52 at the end of the lease period. Sales tax is 8%. The payment includes 1900 black and white copies per month with overages billed at .015 per copy. The debtor is current and will continue the contractual payments as of the "effective date" of the plan.

Northern Leasing Systems, Inc.: This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$11,015.00, which relates to the lease of a Guru Electronic Message Center Sign. The debtor is current and will continue the contractual payments as of the "effective date" of the plan in the amount of \$550.00 per month.

Class 6. General unsecured creditors

CAN Capital: This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$43,728. The debtor will pay this creditor the sum of \$728.80 per month, which includes 0% interest for 60 months, until one hundred (100%) percent of this debt is paid.

Capital One Bank: This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$13,700.00. The debtor will pay this creditor the sum of \$228.33 per month, which includes 0% interest for 60 months, until one hundred (100%) percent of this debt is paid.

Lease Finance Group, LLC: listed in class 6 in the original AMENDED DISCLOSURE STATEMENT in the amount of \$5,353.00 has been removed as that debt was disputed in the bankruptcy schedules, the leased credit card terminal was surrendered pre-petition, and the creditor has advised that the party liable for the debt is Dr. Scott Ratamess, the debtor's principal, and not the corporation. No proof of claim was filed pertaining to this debt.

Lowes Business Account: This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$3,200.00. The debtor will pay this creditor the sum of \$53.33 per month, which includes 0% interest for 60 months, until one hundred (100%) percent of this debt is paid.

Office Depot Business Credit: This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$1,716.00. The debtor will pay this creditor the sum of \$28.60 per month, which includes 0% interest for 60 months, until one hundred (100%) percent of this debt is paid.

Summer Breeze Heating & Air: This creditor did not file a proof of claim. However, the debtor scheduled a debt in the amount of \$25.00. The debtor will pay this creditor the sum of \$8.75 per month, which includes 0% interest for 60 months, until one hundred (100%) percent of this debt is paid.

Wells Fargo: debt listed in class 6 in the original AMENDED DISCLOSURE STATEMENT in the amount of \$5,602.00, upon further investigation is a duplicate of the Wells Fargo debt listed in class 5 in the amount of \$5,813.48. No proof of claim was filed as to the \$5,602.00 amount. That debt has been removed.

SUMMARY OF PAYMENTS BY CLASS

Class 1: The Cooper Law Firm: \$500.00 per month, \$18,000 expected total.

Class 2: Priority creditors: \$26.39 (one payment), \$26.39 total.

Class 3: Secured creditors: \$1,137.35 per month, \$70,781.21 total.

Class 4: Judgment creditor: \$48.22 per month, \$2,540.00 total.

Class 5: Leases and executory contracts: \$641.00, \$16,828.48 total.

Class 6: Unsecured creditors: \$1,047.81 (formerly \$1,230.40 per month in original AMENDED DISCLOSURE STATEMENT). \$62,869.00 total debt this class (formerly \$73,824.00 total in original

AMENDED DISCLOSURE STATEMENT).

The total monthly payments, therefore, after the debtor pays the \$26.39 class 2 priority claim in full with one payment, equals \$3,374.38. As previously stated, the debtor has already been paying the sum of \$2,141.00 per month.

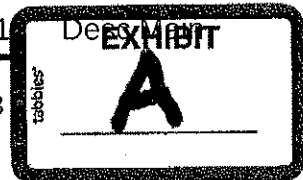
TOTAL: \$171,045.08. Of this amount, the sum of \$64,698.16 is secured by a mortgage on the commercial property upon which the debtor operates its business, and the debtor is current and will remain current on this obligation under the consent order between the parties filed with the Court. Additionally, the sum of \$6,083.05 represents the two remaining secured claims that will be paid over the life of the plan. Of the total remaining balance of \$100,236.87, the sum of \$16,828.48 represents two leases upon which the debtor is current and will remain current. Of the total remaining balance of \$83,435.39, the sum of \$18,000.00 represents the total of the debtor's attorney's fees going forward, which includes the remaining balance on the initial fees, plus additional fees anticipated for work throughout the remainder of the chapter 11 case. Of the total remaining balance of \$65,435.39, the sum of \$26.39 represents the one priority creditor to be paid a lump sum, and the sole judgment creditor's debt in the amount of \$2,540.00 to be paid over the life of the plan. Finally, the total remaining balance of \$62,869.00 represents the amount owed go general unsecured creditors, who will be paid over the life of the chapter 11 plan.

Class 7. Equity Ownership: The debtor will retain all interest in property that it owns.

DEBTOR IS A CORPORATION, AND WILL RETAIN ITS STOCK OWNERSHIP.


Robert H. Cooper, Dist. Ct. ID #5670
THE COOPER LAW FIRM
Attorneys for the Debtor
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Greenville, South Carolina 29615
(864) 271-9911
(864) 232-5236
rhcooper@thecooperlawfirm.com

Dated: June 5, 2017
Greenville, South Carolina.



Fill in this information to identify the case:

Debtor name Ratamess Chiropractic Clinic, P.C.

United States Bankruptcy Court for the: DISTRICT OF SOUTH CAROLINA

Case number (if known) 16-04993

Check if this is an amended filing

Official Form 206A/B
Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- No. Go to Part 2.
- Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest
\$250.00

2. Cash on hand

3. Checking, savings, money market, or financial brokerage accounts (Identify all)			Current value of debtor's interest
Name of institution (bank or brokerage firm)	Type of account	Last 4 digits of account number	
3.1. First Citizens Bank	Business Checking	9401	\$1,358.93
3.2. First Reliance	Business Checking	6488	\$1,133.08
3.3. NBSC DIP Account	General Operations Account	3605	\$300.00
3.4. NBSC DIP Account	Payroll Account	3613	\$250.00
3.5. NBSC DIP Account	Tax Account	3621	\$250.00

4. Other cash equivalents (Identify all)

5. Total of Part 1.

\$3,542.01

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

Debtor Ratamess Chiropractic Clinic, P.C. Case number (if known) 16-04993
 Name

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- No. Go to Part 3.
- Yes Fill in the information below.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- No. Go to Part 4.
- Yes Fill in the information below.

11. Accounts receivable

11a. 90 days old or less: 611,926.00 - 566,055.00 = ... \$43,871.00
 face amount doubtful or uncollectible accounts

12. Total of Part 3.

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

\$43,871.00

Part 4: Investments

13. Does the debtor own any investments?

- No. Go to Part 5.
- Yes Fill in the information below.

Part 5: Inventory, excluding agriculture assets

16. Does the debtor own any inventory (excluding agriculture assets)?

- No. Go to Part 6.
- Yes Fill in the information below.

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- No. Go to Part 7.
- Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- No. Go to Part 8.
- Yes Fill in the information below.

	General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39.	Office furniture Office Furniture	\$0.00	Liquidation	\$13,540.00

40. Office fixtures

Office Furnishings

Laundry Room: Washer/Dryer, Satellite Radio, Sound Box, Vacuum (2), Decorations, Tools \$975

Kitchen: Microwave, Toaster Oven, Keurig, Refrigerator \$625

Back Hallway: (2) Five Drawer Filing Cabinets, Fish Tank \$75

Storage Room: X-ray files, old files, old equipment, supplemental supplies, blue prints \$675

Back Office: Desk, shredder, side table, computer, printer, (2) chairs \$720

Dr. Ratamess Office: Desk, shredder, side table, computer, printer, (2) chairs \$790

Back Bathroom: X-ray processor, table \$990

Jennifer's Office: (2) Two drawer filing cabinets, computer, printer, mail station, desk \$590

Therapy Room: (2) Traction tables, large hydrocollator, electric muscle stimulator, (2) Interferential, old adjustment table \$1660

DOT Physical Room: Tall scale, one floor scale, exam table \$410

Adjustment Room 1: Adjustment table, side table, chair, x-ray viewer, genie rub \$680

Adjustment Room 2: X-ray viewer, old adjustment table, chair \$430

Front Waiting Room: Flat screen tv, GE water bottle, (3) wall cabinets, couch, (7) chairs, coat rack, table, plants, front desk, five tier filing cabinet, computer, printer, two drawer filing cabinet, scale \$1630

Drug testing room: Desk, computer, couch, side table, (2) two drawer filing cabinets, ten chairs \$670

Hall: Cabinet, printer, old fax machine, alcohol testing equipment \$630

Hall storage: Drug testing supplies \$90

Kitchen 2: Small refrigerator, microwave, small hydrocollator, side table, mirror, sheet rock \$810

Massage Room 1, 2 & 3: Massage table, side table, lamp, chair, radio \$480

Back Storage Room: X-ray file cabinet, shop vac, old massage table, vacuum, storage cabinet, various tools, small ladder, massage chair, sanders \$610

Total Value \$13,540.00

Debtor Ratamess Chiropractic Clinic, P.C. Case number (if known) 16-04993
 Name _____
 1997 Linear X-Ray Collimator,
 Phone System
 Internet Equipment
 Fax Machine \$0.00 Liquidation \$2,000.00

- 41. Office equipment, including all computer equipment and communication systems equipment and software
- 42. Collectibles *Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles

43. Total of Part 7.
 Add lines 39 through 42. Copy the total to line 86.

\$15,540.00

44. Is a depreciation schedule available for any of the property listed in Part 7?
 No
 Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?
 No
 Yes

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- No. Go to Part 9.
- Yes Fill in the information below.

Part 9: Real property

54. Does the debtor own or lease any real property?

- No. Go to Part 10.
- Yes Fill in the information below.

55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest

Debtor Ratamese Chiropractic Clinic, P.C. Case number (if known) 16-04993
 Name

55.1. Commercial Office Building located at 311 W. Palmetto Street, Florence, SC. Tax Map Numbers are 90074 Block 06 Parcel 13 and Parcel 12, respectively. There are two tax billings for the one building and lots because the building had, in previous years, been separated into two office spaces. The Debtor now uses the entire building. The combined tax assessment values equals \$200,518.00.

Fee Simple	\$0.00	Comparable sale	\$200,518.00
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56. Total of Part 9. \$200,518.00
 Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

57. Is a depreciation schedule available for any of the property listed in Part 9?
 No
 Yes

58. Has any of the property listed in Part 9 been appraised by a professional within the last year?
 No
 Yes

Part 10: Intangibles and Intellectual Property

59. Does the debtor have any interests in intangibles or intellectual property?

- No. Go to Part 11.
 Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
60. Patents, copyrights, trademarks, and trade secrets			
61. Internet domain names and websites			
62. Licenses, franchises, and royalties Business License for City of Florence Of no value to anyone but Debtor.	\$0.00		\$0.00

63. Customer lists, mailing lists, or other compilations
 64. Other intangibles, or intellectual property
 65. Goodwill

Debtor Ratamess Chiropractic Clinic, P.C. Case number (if known) 16-04993
Name

86. Total of Part 10. \$0.00
Add lines 60 through 65. Copy the total to line 89.

67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107)?
 No
 Yes

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?
 No
 Yes

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?
 No
 Yes

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?
Include all interests in executory contracts and unexpired leases not previously reported on this form.

- No. Go to Part 12.
- Yes Fill in the information below.

Current value of debtor's interest

- 71. Notes receivable
Description (include name of obligor)
- 72. Tax refunds and unused net operating losses (NOLs)
Description (for example, federal, state, local)
- 73. Interests in insurance policies or annuities
- 74. Causes of action against third parties (whether or not a lawsuit has been filed)
- 75. Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims
- 76. Trusts, equitable or future interests in property
- 77. Other property of any kind not already listed *Examples:* Season tickets, country club membership
Guru Electronic Message Center Sign \$5,000.00

78. Total of Part 11. \$5,000.00
Add lines 71 through 77. Copy the total to line 90.

79. Has any of the property listed in Part 11 been appraised by a professional within the last year?
 No
 Yes

Debtor Rafaness Chiropractic Clinic, P.C. Case number (if known) 16-04993
 Name

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	\$3,542.01	
81. Deposits and prepayments. <i>Copy line 9, Part 2,</i>	\$0.00	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	\$43,871.00	
83. Investments. <i>Copy line 17, Part 4.</i>	\$0.00	
84. Inventory. <i>Copy line 23, Part 5.</i>	\$0.00	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	\$15,540.00	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	\$0.00	
88. Real property. <i>Copy line 56, Part 9.</i>		\$200,518.00
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	\$0.00	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ \$5,000.00	
91. Total. Add lines 80 through 90 for each column	\$67,953.01	+ 91b. \$200,518.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$268,471.01