

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
CHARLESTON DIVISION

IN RE: BENJAMIN AND BENT )  
ENTERPRISES, LLC, )  
 )  
Debtor-in-Possession. )  
\_\_\_\_\_ )

CASE NO.: 16-05349-jw  
CHAPTER 11

BENJAMIN AND BENT ENTERPRISES, LLC'S DISCLOSURE STATEMENT WITH  
RESPECT TO DEBTOR'S FIRST PLAN OF REORGANIZATION DATED  
APRIL 14, 2017

ARTICLE I

A. Introduction.

Debtor, Benjamin and Bent Enterprises, LLC ("B&B") a seller and installer of flooring for commercial and residential properties, has prepared and is disseminating this Disclosure Statement to holders of claims against and interests in B&B for the purpose of soliciting acceptance of its April 14, 2017, Plan of Reorganization (the "Plan"). B&B believes this Disclosure Statement contains the information that is material, important and necessary for its creditors and interest holders to arrive at an informed decision in exercising their right to vote for acceptance of the Plan.

A copy of the Plan accompanies this Disclosure Statement. As holder of a claim or interest in B&B, your acceptance is important. For a class of claims to accept the Plan, acceptances must be filed by at least two-thirds in amount and more than one-half in number of the Allowed Claims for such class that actually vote on the Plan. A failure to vote on the Plan does not constitute either an acceptance or rejection of the Plan

B. Representations.

NO REPRESENTATIONS CONCERNING B&B OR THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN REVIEWED OR PASSED UPON BY AN ACCOUNTANT. B&B IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY ALTHOUGH ALL SUCH INFORMATION IS ACCURATE TO B&B'S BEST KNOWLEDGE, INFORMATION AND BELIEF. THE COURT HAS NOT VERIFIED THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND THE COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT IMPLY THAT THE COURT ENDORSES OR APPROVES THE PLAN, BUT ONLY THAT IF THE INFORMATION IS ACCURATE, IT IS SUFFICIENT TO PROVIDE AN ADEQUATE BASIS FOR CREDITORS AND

INTEREST HOLDERS TO MAKE INFORMED DECISIONS WHETHER TO APPROVE OR REJECT THE PLAN.

**C. Defined Terms.**

Most words or phrases used in this Disclosure Statement shall have their usual and customary meanings. Some words or phrases when used in the context of the Plan and Disclosure Statement with initial capital letters shall have the definitions set forth in the Plan. Unless otherwise defined, the terms used in this Disclosure Statement shall have the same meanings as in the Bankruptcy Code or Rules.

**D. Financial Information**

Financial information discussed in the Disclosure Statement originates from multiple sources such as B&B's Bankruptcy Petition and Schedules including all amendments thereto verified under oath, B&B's bankruptcy Monthly Operating Reports prepared by B&B's outside accountant, Robert Kittrell, various accounting documents prepared primarily on QuickBooks platform with data entry performed by B&B's internal bookkeeping department, subject to review and reconciliation by Todd Rhine and Robert Kittrell, budget projections prepared by Todd Rhine after analysis of B&B's QuickBooks reports, historical customer income, contracts and business expense data, and financial exhibits previously introduced into evidence in this Chapter 11 proceeding. Accounting documents are prepared on an accounting cash basis unless otherwise noted. To the best of B&B's knowledge, each document referenced within this Disclosure Statement was prepared in accordance with generally accepted accounting practices.

**ARTICLE I**

**A. Formation, History and Description of the Corporation.**

B&B was incorporated in 2002 by its current owner and president, L. Robert Benjamin. Mr. Benjamin has over 50 years of experience in the retail flooring business. His career began when he sold carpeting at his father's retail store in Pittsburgh, PA starting in 1959. In 1963, Mr. Benjamin established his own business representing multiple flooring manufacturers. Relocating to Atlanta in 1976, Mr. Benjamin established a manufacturers' representative partnership that he maintained until 1999. In 1994, Mr. Benjamin opened Plantation Homes in Atlanta, Georgia, which he operated until his retirement in 2001, when he and his wife retired to Hilton Head, South Carolina.

After several months of retirement, Mr. Benjamin, joined by his daughters and son-in-law, opened Benjamin and Bent Enterprises, LLC, and started doing business as Rick Bent Flooring, Inc. ("RBF")

The name RBF was chosen because Rick Bent, Mr. Benjamin's son-in-law had been doing business as a flooring contractor under that trade-name for several years, and had developed both a good reputation in the area and a growing book of customer and contractor contacts. Mr. Bent and Mr. Benjamin concluded that with Mr. Benjamin acting as the in-house sales representative, while Mr. Bent operated the installation side of the business, it should be possible to expand market share significantly in the rapidly growing Hilton Head residential market. Their optimism proved well-founded as the business prospered, despite a fiercely

competitive environment.

However, like the rest of the country, Hilton Head experienced a rapid decompression in property values and funds available for investment in residential construction, beginning in the mid-2000's, culminating in the complete collapse experienced world-wide in 2008. Benjamin and Bent suffered along with everyone else.

Regrettably, B&B chose to withhold payroll tax contributions in response to its snow-balling financial problems. It could hardly have chosen a more toxic reaction. In a relatively short period of time, despite generally positive relationships with its customers, subcontractors, and vendors, as well as with its principal secured creditor, BB&T, B&B (as well as its owners) was saddled with trust fund tax liabilities, interest, and penalties to the tune of several hundreds of thousands of dollars.

Although both the owners and the corporation had invested considerable time and effort investigating the advantages and disadvantages available from both personal and corporate filings under several chapters of the Bankruptcy Code, these personal and corporate trust fund tax liabilities made relief under the Code virtually unavailable.

B&B's financial problems were by no means limited to the trust fund tax liabilities, however. The general collapse of the residential construction industry on Hilton Head Island caused the same defaults and accounts receivable aging problems for B&B that its competitors, vendors, and lenders experienced. The company managed to stay in business through the typical combination of belt-tightening small businesses across the country found necessary, including, but not limited to salary cuts, non-payment of salaries, loans from owners and employees, loans from family members and the businesses of family members, etc.

Additionally, B&B's primary secured creditor, BB&T over a period of many months, agreed not to enforce its judgment of foreclosure of its "blanket lien" over essentially all of B&B's assets, including cash collateral, pending the outcome of B&B's "offer-in-compromise" to the I.R.S. This was, in effect, the beginning of a series of informal "cash collateral agreements" between BB&T and B&B.

In part as a result of the oversight of its operations by BB&T and in part because of improving business conditions, management of B&B implemented a variety of practices designed to ensure that the business would not run into the sort of problems that had led to its earlier tax and cash-flow crises. Most were obvious – *e.g.*, staying ahead of quarterly trust fund account obligations. Others were less obvious and more a matter of discipline, such as requiring substantial deposits prior to beginning jobs. As a result of these and

other cost-cutting measures, B&B reduced its overall vendor account balance to less than \$60,000; reached agreements with holders of real estate leases; and negotiated a favorable payment plan with the South Carolina Department of Revenue.

Finally, in June, 2016, the I.R.S. accepted B&B's OIC dated August, 2014, as amended in February, 2016. The offer resulted in a reduction of the trust fund tax liability by several hundreds of thousands of dollars, both as to L. Robert Benjamin personally and to B&B Ent., LLC, to approximately \$50,000.00 each. Both liabilities were quickly retired.

Following the resolution of the enormous trust fund liability problem, B&B began talks with BB&T relative to refinancing its principal debt. With the majority of its creditors subject to some sort of agreement to forebear from aggressive action, and its business improving, there appeared to be potential for a consensual "work out" with BB&T, with side agreements satisfactory to B&B's other creditors with whom agreements had not already been reached.

In the September/October, 2016, period, however, two events occurred more or less simultaneously, which precipitated the filing of this Chapter 11 proceeding unexpectedly and under emergency circumstances.

B&B's contractor's license was due to be renewed in the late summer/early fall of that year. On June 26, 2016, BB&T obtained a default judgment in its suit to foreclose its blanket lien on B&B's assets, including inventory and cash collateral. Although BB&T and B&B had been operating for many months under the terms of an informal agreement that BB&T would not levy on its judgment, BB&T refused to state as much to the Contractor's Licensing Board. The result was that the Board was not going to renew B&B's contractor's license.

The loss of its contractor's license threatened to shut down the Debtor's ability to operate at a particularly inopportune juncture. B&B had been in negotiations with several builders poised to commence large tract projects. In at least on such negotiation, evidence of licensure was being demanded as a prerequisite to continued negotiations. Despite this sort of "high stakes" pressure, BB&T continued its refusal to cooperate in B&B's efforts to renew its contractor's license.

On October 8, 2016, Hilton Head Island was hit by the eastern edge of the eye of Hurricane Matthew. The Island was slammed with winds of up to 90 miles per hour. Properties throughout the Island were flooded. Local agencies and FEMA estimated the damage to homeowners in the hundreds of millions of dollars. Within weeks of the

Hurricane, homeowners began calling B&B to arrange appointments for estimates of repairs and replacements for floors damaged by storm waters.

On October 25, 2016, B&B filed this Chapter 11 case and immediately received a renewal of its contractor's license from the S.C. Licensing Board.

**A. Business Location**

B&B has operated from its leased offices, showroom and shop facilities at 21 Cardinal Road, Suite 101, Hilton Head Island, S.C., 29926, for the past approximately fifteen years.

These premises are provided to B&B pursuant to a month-to-month lease, converted from a long-standing, multi-year lease with B&B's landlord Beach City Properties, at a monthly rent of \$2,600.00. Debtor will accept this lease according to the Plan being proposed, with past-due lease payments being paid in part according to the formula set forth therein. Pre-Bankruptcy Economy

Residential real estate construction has seen a slow but steady increase during the past several years. B&B has increased its market share substantially as a result of aggressive marketing, competitiveness, pricing, and availability. While its competitors were "out of business" during the weeks following the Hurricane in October and November of last year, B&B and its family-based team were "hunkered down" with the "locals" talking to adjusters, homeowners, responders and crews.

The reputation Bob Benjamin and his family at B&B have established as the "go to" floor people on Hilton Head has been reinforced, as the business' financial strength has improved. Under the protection of Chapter 11, B&B has paid its obligations in a timely fashion and generally experienced manageable growth in revenues and operations.

**B. BB&T**

The filing of the B&B Chapter 11 Bankruptcy Petition was compelled after Default Judgment was entered in the foreclosure litigation filed by BB&T against B&B and L. Robert Benjamin in June, 2016, causing the threatened non-renewal of B&B's contractor's license.

BB&T's refusal to assist B&B in renewing its contractor's license, by confirming to the Licensing Board that BB&T and B&B had been engaged in a cooperative arrangement aimed at B&B's rehabilitation, albeit informal and completely nonbinding on BB&T, forced what may have been a pre-mature, or even unnecessary Chapter 11 proceeding.

**ARTICLE III**

## **Bankruptcy Proceeding**

### **A. Schedules**

B&B owns no real property.

As of the petition date, B&B had bank account balances in the approximate aggregate amount of \$77,000.00; Inventory (primarily tools and equipment) valued at a bit under \$150,000.00; store fixtures, display racks, etc., of less than \$5,000.00 value; and an unencumbered 2007 Chevrolet van worth approximately \$7,500.00. Because B&B's management had long since begun requiring pre-payment for jobs, B&B had no accounts receivable on the petition date.

The total value of property scheduled on Debtor's combined Schedule A/B was just over \$237,000.00.

B&B's only secured creditor is BB&T, whose claim according to Proof of Claim 1-1 BB&T filed on November 11, 2016, is for \$412,573.09. B&B has not objected to BB&T's claim, nor has B&B filed a motion to "value" and bifurcate BB&T's claim.

B&B believes it has two creditors with priority claims, as disclosed on Debtor's Schedule E.

The first is the S.C. Dept. of Revenue which holds a priority tax claim in the amount of approximately \$125,000.00. B&B is current under the pre-bankruptcy installment agreement reached with the SC DOR, and all post-petition tax obligations. B&B currently pays the SC DOR approximately \$2,000.00 per month in partial payment of its pre-bankruptcy claim. Absent any claims objections, the monthly payment obligations to the SC DOR will increase to \$2,480.06 per month under the Plan.

The second are individual consumers, Barry and Linda Gordons, who hold an unsecured priority claim under 11 USC § 501(a)(7) in the approximate amount of \$48,000.00. B&B is not aware of any additional priority claims.

B&B has very few unsecured trade creditors., whose total claims aggregate less than \$60,000.00. Likewise, B&B's obligations to general unsecured creditors (two (2) credit card companies) amounts to only approximately \$15,000.00. As stated in B&B's amended schedules, the aggregate amount of unsecured creditor claims is \$51,403.11.

### **B. B&B Operations While in Bankruptcy**

B&B filed its voluntary Petition for Chapter 11 Reorganization on October 25, 2016, in order to avoid cancellation of its contractor's license by the State of South Carolina as a result of the judgment obtained by BB&T in June, 2016. B&B was forced to

file this case under extraordinarily difficult circumstances, resulting from the recent devastation caused by Hurricane Matthew along the Southeastern coastline of the United States. The eye of the storm passed less than twenty miles to the east of Hilton Head Island, which was under State and Federal evacuation orders, which remained in effect, depending on specific locations, for up to several weeks following the storm.

It was during this nationally recognized emergency that B&B's staff and counsel were tasked with the unanticipated necessity of preparing and filing this Chapter 11 case. The filing was unanticipated because B&B and counsel fully anticipated that its primary secured creditor, BB&T, with whom it had been working closely and cooperatively for approximately two years to reorganize its business practices and operational efficiencies, would assist in its administrative license renewal efforts. Unfortunately, BB&T withheld that assistance, precipitating the necessity of an emergency filing to avoid the abrupt cessation of B&B's ability to do business.

Likewise, the unanticipated devastation caused by the hurricane resulted in an ironic, sudden burst of business opportunities for B&B, as homeowners throughout its market lined up to seek its flooring services. That irony was compounded by the irony of BB&T's refusal to cooperate in B&B's license renewal efforts, which absent bankruptcy relief would have virtually ensured a pennies on dollars return on BB&T's investment.

Importantly, to continue business operations and pay necessary ordinary course expenses, B&B was required by law to reach an agreement with BB&T to use proceeds from accounts receivable collections in exchange for adequate protection payments and other consideration. Accordingly, B&B filed its Motion for Entry of an Interim Order Authorizing the Use of Cash Collateral of BB&T.

Despite its curious reluctance to provide a "nod of the head" in favor of B&B's continued licensing, BB&T and B&B successfully negotiated consent "interim cash collateral" agreements on November 28, 2016, February 7, 2017, and April 4, 2017. In light of the pre-bankruptcy consensual agreements pursuant to which B&B was "permitted" to operate for months following BB&T's foreclosure judgment in June, 2016, and for many months prior to that essentially consent judgment, it is clear that BB&T had some confidence in B&B's viability both before and after the petition date.

B&B's Monthly Operating Reports and Budgets indicate that in November/December, 2016, it had a Beginning Cash Balance of \$46,386.10 and Sales of \$31,000.00. During the same period, the company posted Disbursements in the total amount of \$31,813.00, for a loss of \$813.00, with a consequent Ending Cash Balance of

\$45,573.10. At the end of December, the Cash Balance had increased to \$71,405.50. However, because of the Holidays, sales had fallen to only \$569.23, resulting in a Cash Balance the following week of only \$53,150.10 (with Sales back to a respectable \$48,700.00), and an Ending Cash Balance of \$55,525.10. These figures represent the seasonal and “up and down” nature of the flooring business.

Subsequent monthly figures confirm those trends. Thus, sales during the week of February 10, 2017, were \$72,654.76, whereas the week of March 3, 2017, produced only \$31,893.44 in sales. March 17’s sales were a total of \$28,100.47, but a week later, sales nearly reached \$90,000.00.

Throught the period since the petition date, B&B has paid adequate protection payments to BB&T in the amount of \$2,000.00, increased to \$3,000.00 per month. B&B has remained current in its Quarterly Payments to the Office of the United States Trustee in the amount of \$4,875.00. As noted, B&B has remained current on its payments to the SC Dept. of Revenue under its agreement with that agency, and has made monthly payments of \$1,000.00 and \$2,000.00 to its bankruptcy counsel and accountant, respectively.

In summary, B&B has satisfied all post-petition payment obligations to employees, subcontractors, taxing authorities, vendors, the United States Trustee's Office, and its principal secured creditor.

According to B&B’s March, 2017, Operating Report, B&B is owed \$133,075 in customer accounts receivable. B&B believes all of these receivables will be collected in the next 60 days, if not already paid. Further, B&B is prepaid by customers for nearly all flooring installations, so there is only isolated and minimal risk that B&B will be unpaid for any of its completed contract work.

### **C. Feasibility of Reorganization**

B&B’s business history, reputation with customers, industry standing, financial performance in its Chapter 11 proceeding, and revenue and expense projections, taken together, exhibit that payment to its creditors under the terms of its Plan is feasible.

The budget attached to B&B’s Third Interim Cash Collateral Order projects continuing ability to meet course of business obligations. The administrative expenses involved in funding an ongoing Chapter 11 proceeding will decrease substantially upon confirmation of B&B’s Plan.

Under B&B’s proposed Plan, projected monthly payments, based on filed Proofs of Claim, would be as follows to creditors other than those paid in the ordinary course:



CREDITOR	AMOUNT OF CLAIM	LUMP SUM	MONTHLY PAYMENT
S.C. Dept. of Revenue (Class II)	\$125,248.00		\$2,480.06 (incl. interest)
Gordon, Gary & Cindy (Class III)	\$48,000.00	\$5,700	\$378.00 (incl. interest)
BB&T (Class IV)	\$412,573.09	\$4,000.00 p. quarter	\$4,897.32 (incl. interest)
Imperial Hardware, Beach City and Metro Development (Class V)	\$282,732.68		\$153.82 (incl. interest)
Bank of America and LTD Financial Services (Class VI)	\$16,668.45		\$8.94 (incl. interest)
Financial Profile LLC (Class VII)	\$165,366.10	Equity (50%)	\$-0-

Further, BB&T's claim, as filed November 11, 2016, in the amount of \$412,573.09 should be reduced by adequate protection payments, although the claim has accrued post-petition interest at a rate of 7.5% per annum. In addition, to the extent necessary, B&B will review all legal theories related to BB&T's unreasonable refusal to cooperate with B&B in retaining its contractor's license, as well as the potential for valuation of BB&T's lien under 11 USC § 506.

**ARTICLE IV**

**Plan of Reorganization**

Although the following is not a substitute for a careful reading of the Plan, the following is a general discussion of the treatment of Allowed Claims and Allowed Interests under the Plan. The Plan categorizes creditors into seven (7) classes.

**A. Treatment of Priority and Administrative Claims**

- (i) Administrative claims consist of the claims of B&B's bankruptcy counsel for unpaid professional fees rendered to B&B during the

pendency of this Chapter 11 proceeding, as may be approved by the Bankruptcy Court; the administrative claim of Robert Kittrell, CPA, for unpaid accounting services subject to Bankruptcy Court approval; as well as claims of the Office of the United States Trustee for any assessed, but unpaid quarterly fees.

- (ii) Priority claims include the South Carolina Department of Revenue in the approximate amount of \$125,248.

B&B proposes to pay all administrative claims, in full on or before May 13, 2017, and to continue to pay and file all United States Trustee quarterly fees and statements.

B&B proposes to pay all Priority Claims of the South Carolina Department of Revenue in full within five years by monthly installments including statutory interest. Priority claims are not impaired.

**B. Treatment of Secured Claims.**

The secured claim consists of Branch Bank & Trust's claim in the amount of \$412,573.09. B&B proposes to pay BB&T's claim in full in equal monthly installments payable according to a ten (10) year amortization schedule, together with quarterly payments in the amount of \$4,000.00. Payments shall begin sixty (60) days after the Confirmation Order is entered by the Court.

This claim shall bear interest at the rate of 7.5% per annum. This claim is subject to prepayment, in whole or in part, at any time without penalty. Any such prepayment shall reduce the principal loan balance. This payment obligation to Class IV shall be personally guaranteed by L. Robert Benjamin and shall be secured by a replacement lien to include all business assets of Debtor, including any and all after-acquired business assets not otherwise pledged to another creditor.

Upon Debtor's payment of twenty-four (24) payments pursuant to the provisions of the Confirmed Plan, BB&T agrees to release and mark "satisfied" its mortgage lien on residential real property located at 1008 William Hilton Parkway Unit A, Hilton Head Island, South Carolina 29928, owned by Carolyn Benjamin, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Book 2720 at Page 1916 on or about June 6, 2008.

This claim is impaired.

The Plan also proposes to create an injunction protecting co-debtors and guarantors from any action against them by any secured creditor for defaults that

occurred prior to the Effective Date.

**C. Unsecured Claims.**

Under the hypothetical liquidation analysis, general unsecured creditors would receive no distribution on account of their pre-petition claims. B&B proposes three separate classes of unsecured creditors.

Class III consists of the current and former landlords of B&B, who hold unsecured claims for past-due rent. B&B proposes a distribution to Class III unsecured creditors in an amount equal to a *pro rata* share of five (5%) percent of the aggregate of the Class III claims payable with 5.25% interest over 120 months. These claims are impaired.

Class IV consists of unsecured claims for credit card accounts. B&B proposes a distribution to Class IV unsecured creditors in an amount equal to a *pro rata* share of five (5%) percent of the aggregate of the Class III claims payable with 5.25% interest over 120 months. These claims are impaired.

Class V consists of unsecured claims for prepetition vendor accounts. The vendors involved are essential to B&B's continued operations due to the nature of the products supplied, the logistics involved in vendors' supply chains and localities, and other factors rendering their continued availability essential. B&B therefore proposes a distribution to Class V unsecured creditors in an amount equal to a *pro rata* share of fifteen (15%) percent of the aggregate of the Class V claims payable with 5.25% interest over 120 months. These claims are impaired.

**D. Disputed Claims.**

B&B must file claim objections within 60 days of the Effective Date of its confirmed Plan.

**E. Consequences of Default.**

In the event that B&B defaults under the terms of its confirmed Plan, parties in interest shall have all rights and remedies available to them under federal and state law.

**F. Equity Interests.**

Robert Benjamin shall retain his equity interest in B&B after confirmation of B&B's Plan in consideration for his future contributions to B&B's operations, subject to his agreement to divest himself of a fifty (50%) percent equity interest in B&B to Todd Rhine, in recognition of the significant contributions Mr. Rhine has made personally, both pre- and post-confirmation, to the financial health of the business, and in further recognition of Mr. Rhine's agreement to continue to provide general oversight of the bookkeeping and accounting operations of the company.

Mr. Benjamin (and the employees of B&B) recognize the enormous, selfless contributions of time and energy made by Mr. Rhine over the past several years, and, in particular, during the months since B&B filed this Chapter 11 case. Although Mr. Rhine's financial services business (Financial Profile LLC) is owed a substantial amount of money by B&B for formal services provided pre-petition, for which Mr. Rhine is foregoing any claim in this case, Mr. Rhine's personal contributions are not reflected in, and far exceed, the services which are included in the debt to Financial Profile LLC.

Most importantly, from the point of view of B&B's bankruptcy estate and its creditors, Mr. Rhine will provide a steady hand on the financial and bookkeeping helm at B&B for the foreseeable future, with commensurate improvement in the availability and transparency of data available to B&B's creditors and stakeholders.

**G. Management.**

B&B has been managed since its inception, and continues to be managed, by Robert Benjamin and family members. The Benjamin family have an extensive background in the services provided by B&B. Robert Benjamin, Rick Bent and other members of the installation crew, work tirelessly quoting flooring installation projects, preparing B&B's inventory and equipment for service and installation work, and scheduling work crews. Robert Benjamin demonstrates unrivaled dedication to the operations of B&B typically arriving to work before 5:00 a.m. each morning while working well past 6:00 p.m. if necessary. It is Mr. Benjamin who is primarily responsible for bidding jobs, in coordination with his son-in-law, Rick Bent.

Mr. Benjamin's daughters, Jennifer Bent and Amy Rhine comprise the office and administrative staff, assisting Mr. Benjamin with invoicing, handling service calls, sales appointments, bookkeeping and data entry. Rick Bent, Jennifer's husband displays dedication rivaling Robert Benjamin's in running the installation crews and liaising with sub-contractors.

The Benjamin family have dedicated their time and energies to the success and survival of B&B, and without them the business would not be viable, and creditors would not receive any distribution.

Robert Benjamin has spent more than 30 years in this industry, and his substantial knowledge, skill and contacts, as well as his reputation and integrity are key ingredients to the success of B&B's business.

Following confirmation of B&B's Plan, management will be supplemented by the addition of Todd Rhine, a Certified Financial Advisor on Hilton Head Island, with 24

years of experience in the financial field. Mr. Rhine is not new to the B&B family, having provided advice and input on both an informal and a formal basis over the years. Mr. Rhine's permanent addition to the management team at B&B bodes well for B&B's business and for its creditors.

**H. Confirmation Possible Where Class Does Not Accept.**

The Bankruptcy Court will be asked to confirm as to any class of claims or interests that does not accept the Plan. To do so, the Bankruptcy Court must find that the Plan: 1) is fair and equitable with respect to each class of claims or interests that is impaired and has not accepted the Plan; and 2) that each holder of a claim or interest receives or retains under the Plan, on account of such claim or interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that would be received or retained if B&B's property were liquidated under Chapter 7 of Title 11 of the Code. B&B believes the second requirement is satisfied as demonstrated by the Liquidation Analysis set forth below in Article V. B&B believes the first requirement is satisfied with respect to any class that might not accept the Plan.

THE FOREGOING IS A SUMMARY OF THE PLAN AND CREDITORS ARE URGED TO READ THE PLAN IN FULL. CREDITORS SHOULD CONSULT WITH COUNSEL IN ORDER TO FULLY UNDERSTAND THE PLAN, WHICH IS A PROPOSED LEGALLY BINDING AGREEMENT BY B&B ENTERPRISES, LLC.

**ARTICLE V**

**Tax Consequences**

Creditors concerned with how the plan may affect their tax liability should consult with their own accountants, attorneys and/or advisors.

B&B will be responsible for all post-petition taxes as they come due to the Internal Revenue Service, the State of South Carolina, and any other taxing authority for properly assessed taxes against B&B.

B&B has not obtained a tax opinion and expresses no opinion as to the tax consequences to the holder of any claim or interest caused by the terms of the Plan of Reorganization.

**BECAUSE B&B EXPRESSES NO TAX ADVICE, IN NO EVENT WILL THE CORPORATION, ITS OWNERS OR SHAREHOLDERS OR ANY AFFILIATES OR PROFESSIONAL ADVISORS ENGAGED BY ANY OF THEM, BE LIABLE IF, FOR ANY REASON, THE TAX CONSEQUENCES OF THE PLAN ARE OTHER THAN AS ANTICIPATED. CREDITORS AND INTEREST**

**HOLDERS MUST LOOK SOLELY TO AND RELY SOLELY UPON THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF THIS PLAN.**

**ARTICLE VI**

**Liquidation Alternative**

B&B provides a liquidation analysis attached hereto as Exhibit "A". In the analysis, the values are determined from the date of the bankruptcy filing according to the schedules filed by B&B. The value of equipment and machinery is discounted 20% to account for auction and sale costs and is further discounted 15% for liquidation agent and/or auctioneer costs. This proposed liquidation alternative, after payment in full to administrative and priority claims, leaves insufficient funds for the claim of the SC Dept. of Revenue, BB&T, the priority claim of Gary and Cindy Gordon, and the unsecured creditors. Under the liquidation analysis, unsecured creditors would receive no funds in a hypothetical liquidation of B&B's assets. The Bankruptcy Code requires that unsecured creditors receive a distribution through the Plan no less than that received in a hypothetical liquidation of B&B's assets.

B&B estimates the unsecured creditors would receive a lesser distribution in the event of liquidation than that proposed by the Plan. Because the current "as is" market value of B&B's business assets may be insufficient to pay secured creditors and complications would result in regard to accounts receivable collection for a liquidating company, B&B's liquidation may bring no return to the unsecured creditors. Moreover, at auction sale, selling prices may be less than the current estimated value of the business assets.

Under the liquidation analysis, it seems likely that all of the proceeds would be paid to priority, administrative and secured claims. No funds would be available for distribution to unsecured creditors.

**The amount available for general unsecured creditors would be a negative:**

**<\$237,652.00>**

**Consequently, B&B believes confirmation of its Plan is in the best interest of all creditors.**

**ARTICLE VII**

**Recommendation**

B&B strongly recommends that this Disclosure Statement for its Plan of Reorganization and its Plan of Reorganization be approved.

Respectfully submitted this 14th day of April, 2017.

Benjamin And Bent Enterprises,  
LLC  
21 Cardinal Rd.  
Suite 101  
Hilton Head Island, SC 29926

By: /s/ L. Robert Benjamin  
L. Robert Benjamin, Its  
President

By Counsel:

PHILIP FAIRBANKS, ESQ., P.C.

/s/ Philip Fairbanks  
Philip Fairbanks DC ID # 756  
1214 King Street  
Beaufort, SC 29902  
Telephone: (843) 521-1580  
Telefax: (843) 521-1590

Attorney for the Debtor In Possession

**EXHIBIT "B"**

**BENJAMIN & BENT ENTERPRISES, LLC**  
**Cash Flow Projections – 11/21/16 through 6/30/17**



Cash Flow Projections	Week Ending 11/25/2016	Week Ending 12/2/2016	Week Ending 12/9/2016	Week Ending 12/16/2016	Week Ending 12/23/2016	Week Ending 12/30/2016	Week Ending 12/30/2017	Week Ending 1/6/2017	Week Ending 1/13/2017
Beginning Cash Balance	\$46,386.10	\$45,573.10	\$46,738.10	\$50,704.10	\$58,338.10	\$59,625.10	\$71,405.50	\$53,150.10	\$48,661.78
Sales	\$31,000.00	\$42,000.00	\$65,000.00	\$56,000.00	\$56,000.00	\$10,000.00	\$569.23	\$48,700.00	\$51,792.77
Expenses									
Raw Materials and Supplies	\$13,500.00	\$18,000.00	\$32,034.00	\$28,000.00	\$28,000.00	\$4,000.00	\$16,125.74	\$20,300.00	\$13,411.46
Subcontractors	\$7,500.00	\$8,000.00	\$16,500.00	\$7,000.00	\$7,000.00	\$2,000.00	\$1,000.00	\$12,175.00	\$6,736.03
Payroll	\$3,000.00	\$5,800.00	\$4,900.00	\$4,900.00	\$5,800.00	\$4,350.00	\$0.00	\$4,900.00	\$10,234.19
Employer Payroll Taxes		\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$4,805.92	\$1,500.00	\$0.00
Advertising	\$500.00		\$600.00	\$600.00	\$600.00		\$0.00	\$1,000.00	\$519.20
Credit Card		\$2,305.00		\$1,400.00			\$1,863.23	\$1,000.00	\$0.00
Sales Taxes				\$5,000.00	\$5,000.00	\$0.00	\$0.00	\$0.00	\$7,440.34
SC DOR Payment (Back Sales Taxes)		\$500.00	\$500.00	\$500.00	\$500.00	\$500.00		\$500.00	\$500.00
Miscellaneous Expenses	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$347.29	\$1,000.00	\$3,042.27
Rent/Lease Payments		\$2,300.00	\$2,600.00	\$2,600.00	\$2,600.00		\$0.00	\$2,300.00	\$2,300.00
Employee Benefits	\$1,800.00	\$330.00		\$3,566.00		\$1,080.00	\$0.00		\$0.00
Insurance (CGL & WC)	\$1,613.00			\$1,313.00			\$1,034.00		\$0.00
Utilities	\$900.00	\$600.00	\$900.00	\$900.00	\$900.00		\$0.00	\$900.00	\$600.00
BB&T Adequate Protection	\$2,000.00					\$2,000.00			\$0.00
US Trustee Quarterly Fees									\$0.00
Professional Fees - Acct'g							\$0.00	\$250.00	\$0.00
Professional Fees - Legal		\$500.00	\$500.00	\$500.00	\$500.00	\$45.00	\$0.00	\$500.00	\$500.00
Total Disbursements	\$31,813.00	\$40,835.00	\$61,034.00	\$48,366.00	\$54,713.00	\$16,475.00	\$25,176.18	\$46,325.00	\$44,683.49
Cash Surplus/Deficit	(\$813.00)	\$1,165.00	\$3,966.00	\$7,634.00	\$1,287.00	(\$6,475.00)	(\$24,606.95)	\$2,375.00	\$7,109.28
Ending Cash Balance	\$45,573.10	\$46,738.10	\$50,704.10	\$58,338.10	\$59,625.10	\$53,150.10	\$46,798.55	\$55,525.10	\$49,550.10





	ACTUAL		ACTUAL		ACTUAL		ACTUAL		ACTUAL		ACTUAL		ACTUAL	
Week Ending	4/7/2017	4/14/2017	4/14/2017	4/21/2017	4/28/2017	4/28/2017	5/5/2017	5/5/2017	5/5/2017	5/12/2017	5/12/2017	5/12/2017	5/12/2017	5/12/2017
\$75,181.10	\$36,472.69	\$73,002.10	\$62,303.10	\$36,472.69	\$63,804.10	\$36,472.69	\$59,392.10	\$36,472.69	\$64,863.10	\$36,472.69	\$64,863.10	\$36,472.69	\$36,472.69	
\$47,769.00		\$47,769.00	\$47,769.00		\$47,769.00		\$47,769.00		\$47,769.00		\$47,769.00		\$47,769.00	
\$23,750.00		\$23,750.00	\$23,750.00		\$23,750.00		\$18,400.00		\$18,400.00		\$18,400.00		\$18,400.00	
\$10,000		\$10,000	\$10,000		\$10,000		\$8,200.00		\$8,200.00		\$8,200.00		\$8,200.00	
\$7,100.00		\$7,100.00	\$7,100.00		\$7,100.00		\$7,100.00		\$7,100.00		\$7,100.00		\$7,100.00	
\$568.00		\$568.00	\$568.00		\$568.00		\$568.00		\$568.00		\$568.00		\$568.00	
\$1,000.00		\$1,000.00	\$1,000.00		\$1,000.00		\$1,000.00		\$1,000.00		\$1,000.00		\$1,000.00	
\$1,000.00		\$5,000.00	\$1,000.00		\$800.00		\$800.00		\$800.00		\$800.00		\$800.00	
\$500.00		\$500.00	\$500.00		\$500.00		\$500.00		\$500.00		\$500.00		\$500.00	
\$1,000.00		\$1,000.00	\$1,000.00		\$1,000.00		\$1,000.00		\$1,000.00		\$1,000.00		\$1,000.00	
\$2,300.00		\$2,600.00	\$2,600.00		\$2,600.00		\$2,300.00		\$2,600.00		\$2,600.00		\$2,600.00	
\$1,080.00		\$600.00	\$600.00		\$1,313.00		\$1,080.00		\$600.00		\$600.00		\$600.00	
\$900.00		\$600.00	\$600.00		\$600.00		\$600.00		\$900.00		\$900.00		\$900.00	
\$250.00		\$5,000.00	\$250.00		\$250.00		\$250.00		\$5,000.00		\$5,000.00		\$5,000.00	
\$500.00		\$500.00	\$500.00		\$500.00		\$500.00		\$250.00		\$250.00		\$500.00	
\$49,948.00	\$0.00	\$58,468.00	\$46,268.00	\$0.00	\$52,181.00	\$0.00	\$42,298.00	\$0.00	\$51,418.00	\$0.00	\$51,418.00	\$0.00	\$51,418.00	\$0.00
(\$2,179.00)	\$0.00	(\$10,699.00)	\$1,501.00	\$0.00	(\$4,412.00)	\$0.00	\$5,471.00	\$0.00	(\$3,649.00)	\$0.00	(\$3,649.00)	\$0.00	\$0.00	
\$73,002	\$36,472	\$62,303	\$63,804.10	\$36,472.69	\$59,392.10	\$36,472.69	\$64,863.10	\$36,472.69	\$61,214.10	\$36,472.69	\$61,214.10	\$36,472.69	\$36,472.69	



ACTUAL	Week Ending 6/23/2017	Week Ending 6/30/2017	ACTUAL Week Ending 6/30/2017	Projected Totals
\$36,472.69	\$71,177.10	\$36,472.69	\$1,908,170.20	
	\$47,769.00	\$0.00	\$1,525,642.00	
	\$23,750.00		\$679,084.00	
	\$10,000.00		\$297,125.00	
	\$7,100.00		\$204,652.00	
	\$568.00		\$25,892.00	
	\$1,000.00		\$13,700.00	
			\$27,705.00	
	\$500.00		\$30,000.00	
	\$1,000.00		\$15,500.00	
	\$2,600.00		\$32,000.00	
			\$52,500.00	
	\$1,313.00		\$21,756.00	
	\$600.00		\$11,704.00	
	\$3,000.00		\$20,100.00	
			\$22,000.00	
		\$0.00	\$30,000.00	
	\$250.00		\$6,500.00	
	\$500.00		\$15,045.00	
\$0.00	\$52,181.00	\$0.00	\$1,505,263.00	
\$0.00	(\$4,412.00)	\$0.00	\$20,379.00	
\$36,472.69	\$66,765.10	\$36,472.69	\$1,928,549.20	

**United States Bankruptcy Court  
District of South Carolina**

In re **Benjamin and Bent Enterprises, LLC**

Debtor(s)

Case No. **16-05349**

Chapter **11**

**CERTIFICATE OF SERVICE**

I hereby certify that on **April 14, 2017**, a copy of **Disclosure Statement with Respect to Debtors First Plan of Reorganization** was served electronically or by regular United States mail to all interested parties, the Trustee and all creditors listed below.

**Amy Rhine  
15 Sedge Fern Dr.  
Hilton Head Island, SC 29926**

**Authentic Pine Floors  
PO Box 206  
Locust Grove, GA 30248**

**Bank of America  
21 Hatton Pl.  
Hilton Head Island, SC 29926**

**Barry and Cindy Gordon  
10 Stratford Ct  
Warren, NJ 07059**

**BB&T C/O Robinson McFadden & Moore  
Paul Hofer  
1901 Main Street  
Suite 944  
Columbia, SC 29202**

**Beach City Associates  
PO Box 8  
Hilton Head Island, SC 29926**

**Beaufort County Treasurer  
PO Box 487  
Beaufort, SC 29901-0487**

**Dealer Supply  
PO Box 2628  
Durham, NC 27715**

**Financial Profile Clinic, Inc.  
7 Finch St.  
Hilton Head Island, SC 29926**

**Heritage Forest Products  
PO Box 2460  
Defand, FL 32721**

**Imperial Hardware Corp  
PO Box 23971  
Hilton Head Island, SC 29925**

**Internal Revenue Service  
Insolvency Group 6  
MCP 39  
1835 Assembly Street  
Columbia, SC 29201**

**Louis Benjamin  
17 Sedge Fern Dr.  
Hilton Head Island, SC 29926**

**LTD Financial Services  
7322 SW Freeway #160  
Houston, TX 77074**

**Metro Developers, Inc.**  
120 Habersham Street  
Savannah, GA 31401

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**Porzio Bomberg & Newman, P.C**  
PO Box 1997  
Morristown, NJ 07962

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**SC Dept of Revenue**  
PO Box 12265  
Columbia, SC 29211-2265

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**SC Employment Security Comm**  
P O Box 995  
Columbia, SC 29202

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**/s/ Philip Fairbanks**  
Philip Fairbanks #756  
Philip L. Fairbanks  
1214 King Street  
Beaufort, SC 29902  
843-521-1580 Fax: 843-521-1590

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