

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

**IN RE:**

**CASE NO: 17-00649-HB**

**Chapter 11**

**PALMETTO SMOKE HOUSE AND OYSTER BAR, LLC**

**Debtor-in-possession**

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**DISCLOSURE STATEMENT**

**Palmetto Smokehouse and Oyster Bar, LLC**, the debtor-in-possession, provide 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, an Order of the Court that Preliminarily Approves the Disclosure Statement will have already been entered. However, the Court will then schedule a hearing on the Final Approval of the Disclosure Statement and Confirmation of the Chapter 11 Plan a copy of which you will receive.

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

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

The question in a bankruptcy reorganization (such as Chapter 11) is whether or not the creditor receives an amount equal to what it would have received under a bankruptcy liquidation (i.e., under Chapter 7), not whether or not they receive all that is owed to them. It is, therefore, important for a creditor to understand that simply because the creditor does not like bankruptcy or is not going to receive all of its money under the Plan, does not mean that the creditor should reject the Plan or not vote on the Plan at all. Again, therefore, it is important to review the

liquidation analysis. Of course, a creditor will want to review the remaining portions of the Disclosure Statement as well.

The Debtor's Plan of Reorganization is based upon the Debtor's belief that the present forced liquidation (Chapter 7) net value of their principal assets is so small as to offer the potential of only a minimal recovery to creditors. The 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 of applicable. Provide current balance sheet information and the source of appraisal values.
3. The events leading to the filing of the petition and the financial difficulties of the debtor.
4. The operating condition and success of the debtor while in Chapter 11.
5. An estimate of the return to creditors under a Chapter 7 liquidation (brief liquidation analysis).
6. A list of all claims against the debtor, if practicable, showing the claims to which objections are anticipated and the reasons for the objections. A list of claims to be recognized under the plan.
7. A statement regarding the debtor's compliance with all responsibilities to file tax returns and pay taxes due both pre and post-petition.
8. An analysis of the potential tax consequences to the debtor and other parties -in-interest resulting from the plan.
9. The parties responsible for the future management of the debtor (controlling persons) if applicable, and the rate or amount of compensation to be paid for their services.
10. A detailed estimate of the administrative expenses contemplated under the plan, including, but not limited to, attorneys' fees, accountants' fees and other professional fees and expenses. This includes quarterly fees to the Office of the United States Trustee ("UST").
11. The estimated collectibility of the debtor's accounts receivable if applicable.
12. The risks posed to creditors under the plan.
13. An analysis of potential preferential or otherwise voidable transfers and the debtor's plan, if any, to pursue such recoveries.
14. Anticipated future litigation (bankruptcy and non-bankruptcy contexts) and the estimated cost and sources of revenue to fund this litigation.

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

### INFORMATION REGARDING DEBTOR

On February 9, 2017, the debtor filed its chapter 11 petition commencing its reorganization, and declaring the case as a "small business" case as that term is defined under the Bankruptcy Code. It filed 27 pages of schedules on March 7, 2017, listing its assets and liabilities along with other financial information. Also, on March 7, 2017, the debtor filed its "Application to Employ its Attorney" to handle this reorganization. On March 22, 2017, the Court entered its Order approving that Application. The "First Meeting of Creditors" was held on March 10, 2017. The debtor's 100% owner, Terri Oswald, attended that meeting and answered all questions asked of her. The meeting was administered by a staff attorney for the Office of the United States Trustee for Region Four. Previously, a telephone conference was conducted by that office in which its staff member questioned Mrs. Oswald for approximately one and one-half hours with the undersigned attorney present. This is the routine in chapter 11 cases in this district.

Mrs. Oswald and her husband Jim Oswald have resided in the Clemson, South Carolina area for a number of years, and have conducted business in that area as well. Mrs. Oswald has operated Palmetto Smokehouse and Oyster Bar, LLC, the debtor-in-possession for a for approximately five years, while Mr. Oswald has been in the restaurant business for a number of years as well, and has operated multiple businesses in that market. Terri Oswald is the sole 100% owner of the debtor-in-possession, while her husband helps with the business in certain areas. Palmetto Smokehouse and Oyster Bar, LLC is located in the college town of Clemson. It operates from a leased commercial building located at 199 Old Greenville Highway, Clemson, SC 29631. It had succeeded in its business for several years catering not just to college students, but also to families in the Clemson area. The restaurant does not sell much alcohol, and is not known as a typical college "watering hole". Instead, it is a well respected family restaurant centering on quality food, preparation and service. Approximately one and one-half years ago, the town of Clemson decided to build large housing units in the area, where the restaurant is located. Business quickly began to be adversely affected by a lack of parking in the area, coupled with folks not wanting to visit the restaurant in the middle of a very large construction site. Jim and Terri made multiple efforts to discuss the adverse effects of the construction site on their restaurant with city and college officials, but simply were advised that it would be a positive thing for their business, once the construction of the hundreds of housing units were completed. Although, at times they felt like giving up, due to the circumstances and lack of business, they decided to struggle through the construction period and attempt to survive, hoping that the officials were correct and that the completion of the housing units would in fact help the business flourish. In the meantime, however, the business became delinquent on its lease with the landlord, and with several vendors. The Oswalds tried borrowing funds in order to make it through the construction and lack of parking issues, but unfortunately became overwhelmed with old debt and now newer debt. They discussed the 4 issues with their landlord and vendors at great length, but were told they could not hold off any longer, and threats of law suits began. Therefore, they sought legal assistance by contacting The Cooper Law Firm. They were referred to undersigned counsel, Robert H. Cooper, based upon his experience in the field of business bankruptcy reorganizations and liquidations. On a Sunday evening, both Mrs. And Mrs. Oswald and Mr. Cooper discussed financial issues, and the history and status of the restaurant for almost an hour. Undersigned counsel informed both of chapter 7 and chapter 11, and advised they would need to discuss the issues and make an

informed decision when ready. The next day, the Oswalds informed Cooper that they wished to file for reorganization under chapter 11 of the bankruptcy code. At the time of the filing of the chapter 11, the LLC was seriously delinquent with the lease payments on the commercial building from which it operated. The petition was filed on February 9, 2017, and shortly thereafter, discussions ensued between the parties and the landlord as with other vendors as well. The debtors and counsel discussed the potential of moving the restaurant to a different location, but the Oswalds decided to remain at the present location and "stick it out", reasoning that if they could make it through the construction phase, perhaps the business would benefit from the residents to be placed in the new housing units located almost next door to the debtor's restaurant. On February 22, 2017, attorney Robert Pohl filed a motion to vacate the "automatic stay" under 11 U.S.C. section 362 on behalf of the landlords Thomas and Virginia Skelton, based upon the serious delinquency in rental payments due those creditors. The undersigned counsel proposed to Pohl after discussions with the Oswalds that the debtor would pay the sum of \$1,200 per week that would be paid retroactively to the petition date of February 9, 2017 and continuing forward throughout the chapter 11 case. These weekly payments would pay normal monthly payments, plus arrearage deficiencies until such time as the arrearage was cured. Pohl advised he would inform his clients of the proposal. Counsel for the debtor advised the Oswalds to commence those proposed payments as a show of good faith as he would make that proposal to the Court at an upcoming hearing on the matter. In that regard, on March 3, 2017, the undersigned counsel for the debtor filed an objection to the motion to vacate the "automatic stay." Negotiations continued thereafter, and on March 16, 2017, the Court held a hearing on the matter at which the parties announced a settlement of the matter. The settlement incorporated the terms of the debtor's proposal to pay the sum of \$1,200 per month as addressed above. The debtor concurred with the landlord that the debtor would be responsible for reimbursing the landlord for all property taxes and insurance associated with the lease of the property.

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

The debtor proposes in its chapter 11 plan of reorganization to pay continue to pay its class 1 administrative payments to the U.S. Trustee's office as required by statute, and it intends to continue to pay its attorney's fees in monthly payments as it is able to do so. It intends to pay its class 2 priority claims with interest over a number of years as reflected in that class. It intends to pay its class 3 secured creditors and legitimate class 4 judgment creditors with interest over a number of years as well. The debtor will pay its class 5 unexpired lease as stated in that class below. Finally, the debtor proposes a twenty-five (25%) percent payout without interest over a 60 month period to general class 6 unsecured creditors. All payments required to be made under any confirmed plan shall commence on the "effective date of the plan", which is the 15<sup>th</sup> day after the Court enters its Order Confirming the Chapter 11 Plan.

#### **Source of information used in Disclosure Statement**

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

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

All who review this Disclosure Statement should be aware that no official audit of the Debtors' books has been performed, and the information provided to the Debtors' accountant and attorney is provided by the Debtors

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

No creditors' committee exists in this case. The undersigned counsel for the debtor has undertaken an analysis of preferential or other avoidable transfers in this matter, and find there are none. The preference action against the judgment creditor, U.S. Foods is addressed in the both class 4 and 6 below. No affiliates of the Debtor are involved in this case other than its owner, Terri Oswald, who will continue to own and operated this business. No securities are involved in this case. No future transactions involving insiders or affiliates are expected as none are relevant to this case, other than Mrs. Oswald' involvement in the business. The Debtors are consulting with their accountant regarding potential tax consequences resulting from the Plan.

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

#### **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(A) through 3(C)** 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(A) through 3(C)** shall be treated as separate classes for voting purposes, and shall be deemed to be impaired. If property upon which a lien or mortgage has been perfected is sold, then the value of such allowed secured claims shall be paid from proceeds of the sale in the order of priority according to 11 U.S.C. §363 and all other applicable sections of the Code.

**Class 4** Judgment Creditor Claims and Mechanics Liens, if any are impaired under the Plan. If property upon which a judgement has been perfected is sold, then such Class shall be paid their allowed Claims without interest from any proceeds remaining from the sale of that property to which any judgment lien attached, in the order of the date of filing of judgment liens, but only after all Class 3 Claims secured by such property have been paid in full. Otherwise, judgement creditors shall be paid in monthly installments beginning on the Effective Date of the Plan and continuing until such time as they are paid in full. To the extent of any deficiency, Judgment Creditor Claims shall be treated as Unsecured Claims.

**Class 5** Executory Contracts and Unexpired Leases

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

is deemed to be impaired.

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

**Class 7** Equity ownership. This class will receive no monies; however, the stock ownership if the debtor is a corporation, by members of this Class shall be retained. If the debtor is not a corporation, then equity ownership will include partnership property if the debtor is a partnership or any interest in personal or real property of the debtor if the debtor is an individual. This Class shall be deemed to be impaired.

**LIQUIDATION ANALYSIS**

The bankruptcy schedules filed with the Court reflect the following: Schedule "A" reflects that the debtor owns no real property, nor has it ever owned any. Schedule "B" reflects all personal property owned by the debtor, the value of which equals \$8,926.00. Those assets are itemized on schedules "A" and "B" a copy of which is attached hereto as "Exhibit 1" and made a part of this Disclosure Statement. Claims against these assets greatly exceed their value; therefore, unsecured creditors would received zero in a hypothetical chapter 7 liquidation of assets. The debtors propose a payout of twenty-five (25%) percent to each unsecured creditor, thereby offering a much more substantial payout in this chapter 11.

**SUMMARY OF INCOME VERSUS EXPENSES SINCE THE FILING OF THE PETITION**

Month/Year	Income	Expense	Net
Feb, 2017	\$27,223.50	\$26,322.52	\$900.98
Mar, 2017	\$34,852.53	\$36,313.99	(\$1,461.46)
Apr, 2017	\$47,514.83	\$47,015.03	\$499.80
May, 2017	\$37,440.07	\$41,707.21	(\$4,267.14)
Jun, 2017	\$29,939.00	\$28,220.00	\$1,719.00

**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 debtor will continue to pay its attorney's fees to this law firm on a monthly basis as it is able to do so.

**Class 2. Priority Claims**

**Internal Revenue Service:** This creditor filed a proof of claim on March 1, 2017, and an amended claim on May 16, 2017. The amended claim included a priority claim in the amount of \$268,127.57. However, this includes a claim in the amount of \$42,978.31 representing WT-FICA "payroll taxes" for the second, third and fourth quarter, 2016, "unassessed" taxes, which according to the tax returns filed for those tax period is not owed. The debtor's accountant had forwarded copies of those returns to a local IRS agent working this case, whose name is Eric Helms. The undersigned counsel for the debtor also recently sent copies to special procedures unit in Columbia, SC as that is the entity that filed the proof of claim. The above figure also includes an "unassessed liability" for FUTA taxes for the tax year ending December 31, 2017, which is not yet due. Therefore, this entity should reduce its priority claim to \$225,149.28. Under the Bankruptcy Code, this claim is required to be paid no later than 60 months from the February 9, 2017 petition date. Payments to this creditor will commence on the "effective date of the plan", which is the 15<sup>th</sup> day after the Court enters its Order Confirming the Chapter 11 Plan. At present, it is anticipated that such Order may be entered in December, 2017, thereby leaving 50 months for the payments to be made. Therefore, the debtor will pay the sum of \$4,896.14 per month, which includes four (4%) percent fixed interest in equal installments over a period of 50 months.

**South Carolina Department of Employment and Workforce:** This creditor filed a proof of claim on June 13, 2017, which included a priority claim in the amount of \$58,805.73. Therefore, the debtor will pay the sum of \$1,278.80 per month, which includes four (4%) percent fixed interest in equal installments over a period of 50 months.

**South Carolina Department of Revenue:** This creditor filed a proof of claim on March 6, 2017, in the amount of \$43,931.48. Therefore, the debtor will pay the sum of \$955.34 per month, which includes four (4%) percent fixed interest in equal installments over a period of 50 months.

**Class 3(A) through 3(C). Secured Claims**

**(A) Internal Revenue Service:** This entity filed a proof of claim on March 1, 2017, and an amended claim on May 16, 2017, that included a secured portion in the amount of \$9,744.52. Therefore, the debtor will pay the sum of \$211.91 per month, which includes four (4%) fixed interest in equal installments over a period of 50 months.

**(B) South Carolina Department of Revenue:** This entity filed a proof of claim on June 13, 2017, that included a secured portion in the amount of \$915.92. Therefore, the debtor will pay the sum of \$19.92 per month, which includes four (4%) percent fixed interest in equal installments over a period of 50 months.

**(C) Strategic Funding Source, Inc., c/o Jennifer Ballard, Esquire:** This creditor filed a proof of claim on February 21, 2017, in the amount of \$57,855.62 secured by a "blanket lien" on all of the debtor's assets as reflected in the contract attached to the proof of claim, and a UCC financing statement filed with the Office of Secretary of State of S.C. The creditor filed an amended claim on March 9, 2017, reflecting the same information, but adding the UCC financing statement to the documents attached to the claim. Therefore, the debtor will pay the sum of \$1,098.45 per month, which includes five and one-quarter (5.25%) percent fixed interest in equal installments over a period of 60 months.

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



**Cintas Corporation:** The debtor scheduled a judgment in its bankruptcy schedules in the amount of \$6,332.00, although this creditor did not file a proof of claim. Therefore, the debtor will pay the sum of \$116.61 per month, which includes four (4%) percent fixed interest in equal installments over a period of 60 months.

**Fairway Outdoor Funding, LLC, c/o Robert Brown, Esquire:** The debtor scheduled a judgment in its bankruptcy schedules in the amount of \$11,290.00. Likewise, the creditor filed a proof of claim on March 9 2017, secured by a judgment recorded in Anderson County, S.C. on 4/22/16, in the amount of \$11,290.00. Therefore, the debtor will pay the sum of \$207.92 per month, which includes four (4%) percent fixed interest in equal installments over a period of 60 months.

**U.S. Foods, c/o Cynthia M. Lover, Esquire:** This creditor filed a proof of claim on March 3, 2017, secured by a judgment recorded in Pickens County, S.C. on December 12, 2016, in the amount of \$13,381.26. Since this judgment was recorded within 90 days of the filing of the petition in bankruptcy, the debtor's counsel will file an adversarial complaint seeking avoidance of the judgment under 11 U.S.C. section 547 as a "preference." The debtor proposes, therefore, to pay this creditor in class 6 as a general unsecured creditor.

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

**Thomas and Virginia Skelton, c/o Robert Pohl, Esquire:** This creditor filed a proof of claim on February 22, 2017, in the amount of \$65,571.82 regarding a commercial lease, and identified as representing accrued rent, taxes, late fees, etc. As previously stated, on April 5, 2017, the debtors and the landlords entered into a settlement agreement approved by the Court, which reflected that the debtor would continue to pay the sum of \$1,200 per week as they had been doing, since the February 9, 2017, petition filing, and continue those payments throughout the remainder of the case and thereafter, until the stated arrearage is paid in full. The \$1,200 per week "adequate protection" payments agreed upon by the parties represents normal monthly lease payments, plus an amount to be paid toward the arrearage until that arrearage is cured. The debtor is also responsible for reimbursement to the landlords for payment of taxes and insurance under the "triple net" lease.

**Class 6. General unsecured creditors**

**BB&T:** This creditor filed a proof of claim in the amount of \$334.57. Therefore, the debtor will pay this creditor the sum of \$1.39 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) payout.

**Carolina Burglar & Fire Alarm Co.:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$4,048.00. Therefore, the debtor will pay the sum of \$16.87 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**Charter Communications:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$400.00. Therefore, the debtor will pay the sum of \$1.67 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**Direct TV:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$2,000.00. Therefore, the debtor will pay the sum of \$8.33 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**Enviro-Master of Greenville, SC LLC:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$3,000.00. Therefore, the debtor will pay the sum of \$12.50 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**Internal Revenue Service:** This entity filed a proof of claim on March 1, 2017, and an amended claim on May 16, 2017, which included an unsecured portion in the amount of \$127,108.95.

**Lonnie Watt & Associates:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$54,000.00. Therefore, the debtor will pay the sum of \$225.00 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**PFG-Performance Food Group:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$30,000.00. Therefore, the debtor will pay the sum of \$125.00 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**South Carolina Department of Employment & Workforce:** This entity filed a proof of claim on March 6, 2017, which included an unsecured portion in the amount of \$5,685.21. Therefore, the debtor will pay the sum of \$23.69 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**South Carolina Department of Revenue:** This entity filed a proof of claim on June 13, 2017, which included an unsecured portion in the amount of \$6,240.04. Therefore, the debtor will pay the sum of \$26.00 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**Taylor Boy's Produce:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$3,000.00. Therefore, the debtor will pay the sum of \$12.50 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**The Green Law Firm:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$2,500.00. Therefore, the debtor will pay the sum of \$10.42 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**U.S. Foods, c/o Cynthia Lover, Esquire:** This creditor filed a proof of claim in the amount of \$13,381.26 as secured by a judgment. However, the debtor will file an adversarial complaint seeking to avoid the judgment as a "preference" under 11 U.S.C. section 547 as it was recorded within 90 days of the filing of the bankruptcy petition. Therefore, the debtor will pay the sum of \$55.76 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

**West Small Business Services, LLC:** This creditor did not file a proof of claim. However, the debtor scheduled an unsecured claim on schedule "F" in the amount of \$12,000.00. Therefore, the debtor will pay the sum of \$50.00 per month, which includes no interest in equal installments over 60 months, which results in a twenty-five (25%) percent payout.

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

**Debtor is an LLC, and will retain all of its assets.**

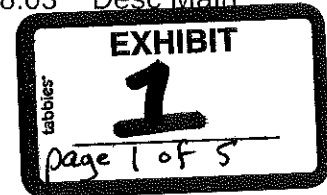
**ABSOLUTE PRIORITY RULE**

Since the Bankruptcy Reform Act of 2005 (“BAPCPA”) much controversy has arisen as to the applicability or inapplicability of the Absolute Priority Rule in individual chapter 11 debtor cases. Recently, however, the Fourth Circuit Court of Appeals joined the Fifth, Sixth and Tenth Circuits ruling that the Absolute Priority Rule does in fact apply to individual chapter 11 debtor cases. Subsequently, using the reasoning set forth in the Fourth Circuit case, the Ninth Circuit now follows suit. The issue arises in the current case, due to the fact that the debtors propose to pay less than a 100% payout to the class of general unsecured creditors. In fact the plan proposes to pay 25% to each member of that class without interest over a period of months. 11 U.S.C. section 1129(b)(1) requires the following in chapter 11 plans: (1) the plan must not discriminate unfairly against the objecting class of creditors, and (2) the plan must be “fair and equitable” . In order to be “fair and equitable”, section 1129(b)(2)(B)(ii) states as follows: “With respect to a class of unsecured claims-the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property...”. However, it is well-settled that the Absolute Priority Rule does not apply to impaired classes of claims or interests that vote in favor of the plan. In other words if the unsecured general class of claims and interests votes in favor of the chapter 11 plan that proposes to pay them less than the full amounts of their claims, then the Absolute Priority Rule mandates would not apply. For example, in the case of Norwest Bank Worthington v Ahlers, 485 U.S. 197,207 (1988), the United States Supreme Court ruled as follows: It is “up to the creditors...to accept or reject a reorganization plan which fails to provide them adequate protection or fails to honor the absolute priority rule. See 11 USC section 1126.”



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Dated: August 7, 2017  
Greenville, South Carolina.



**Fill in this information to identify the case:**

Debtor name Palmetto's Smoke House and Oyster Bar, LLC

United States Bankruptcy Court for the: DISTRICT OF SOUTH CAROLINA

Case number (if known) 17-00649

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

3. Checking, savings, money market, or financial brokerage accounts (Identify all)			
Name of institution (bank or brokerage firm)	Type of account	Last 4 digits of account number	
3.1. Park Sterling Bank	Operating Account	0522	\$0.00
3.2. Park Sterling Bank	Payroll Account	2225	\$1.00
3.3. Park Sterling Bank	Deposit Account	2187	\$0.00

4. Other cash equivalents (Identify all)

5. Total of Part 1.

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

\$1.00

**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.

7. Deposits, including security deposits and utility deposits  
 Description, including name of holder of deposit

7.1. City of Clemson Water/Sewage Deposit \$150.00

Debtor Palmetto's Smoke House and Oyster Bar, LLC Case number (if known) 17-00649  
 Name

8. Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent  
 Description, including name of holder of prepayment

9. Total of Part 2.  
 Add lines 7 through 8. Copy the total to line 81.

\$150.00

**Part 3: Accounts receivable**

10. Does the debtor have any accounts receivable?

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

**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**

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

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

General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19. Raw materials Hard Liquor Inventory \$450.00 Beer Inventory \$375.00 Wine Inventory \$100.00	2/21/2017	\$0.00	Replacement	\$925.00
Food		\$0.00	Replacement	\$1,500.00

20. Work in progress  
 21. Finished goods, including goods held for resale  
 22. Other inventory or supplies

23. Total of Part 5.  
 Add lines 19 through 22. Copy the total to line 84.

\$2,425.00

24. Is any of the property listed in Part 5 perishable?  
 No  
 Yes

25. Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?  
 No  
 Yes. Book value \_\_\_\_\_ Valuation method \_\_\_\_\_ Current Value \_\_\_\_\_

26. Has any of the property listed in Part 5 been appraised by a professional within the last year?  
 No

Debtor Palmetto's Smoke House and Oyster Bar, LLC  
Name

Case number (if known) 17-00649

Yes

**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 2 Church Pews \$150.00 18 Bar Stools \$540.00 3 55" LCD TVs \$1050.00 Corner Shelf \$120.00 Small Wares \$350.00 Decorations/Pictures \$150.00	\$0.00	Liquidation	\$2,360.00
40.	Office fixtures Beer Cooler \$1100.00 Work Top Refrigerator \$700.00 White Freezer \$100.00 Rack \$50.00 Ice Maker \$350.00 Fryers \$300.00 Smoker \$300.00 Salamander \$250.00 Steam Tables \$70.00 Toaster \$120.00	\$0.00	Liquidation	\$3,340.00
41.	Office equipment, including all computer equipment and communication systems equipment and software 4 POS Terminal and Printer	\$0.00	Liquidation	\$650.00

<b>\$6,350.00</b>
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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.

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

Debtor Palmetto's Smoke House and Oyster Bar, LLC Case number (if known) 17-00649  
Name

**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.

**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.

**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.

Debtor Palmetto's Smoke House and Oyster Bar, LLC Case number (if known) 17-00649  
 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. Copy line 5, Part 1	\$1.00	
81. Deposits and prepayments. Copy line 9, Part 2.	\$150.00	
82. Accounts receivable. Copy line 12, Part 3.	\$0.00	
83. Investments. Copy line 17, Part 4.	\$0.00	
84. Inventory. Copy line 23, Part 5.	\$2,425.00	
85. Farming and fishing-related assets. Copy line 33, Part 6.	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. Copy line 43, Part 7.	\$6,350.00	
87. Machinery, equipment, and vehicles. Copy line 51, Part 8.	\$0.00	
88. Real property. Copy line 56, Part 9.....>		\$0.00
89. Intangibles and intellectual property. Copy line 66, Part 10.	\$0.00	
90. All other assets. Copy line 78, Part 11.	+ \$0.00	
91. Total. Add lines 80 through 90 for each column	\$8,926.00	+ 91b. \$0.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$8,926.00





**SCHEDULE C  
(Form 1040)**

**Profit or Loss From Business**

(Sole Proprietorship)

**2015**

Department of the Treasury  
Internal Revenue Service (99)

Information about Schedule C and its separate instructions is at [www.irs.gov/schedulec](http://www.irs.gov/schedulec).  
Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Attachment Sequence No. **09**

Name of proprietor  
**THERESA L OSWALD**

**A** Principal business or profession, including product or service (see instructions)  
**RESTAURANT**

**C** Business name. If no separate business name, leave blank.  
**PALMETTOS SMOKE HOUSE AND OYSTER BAR LLC**

**E** Business address (including suite or room no.) **199 OLD GREENVILLE HWY**  
City, town or post office, state, and ZIP code **CLEMSON SC 29631**

**F** Accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) \_\_\_\_\_

**G** Did you "materially participate" in the operation of this business during 2015? If "No," see instructions for limit on losses  Yes  No

**H** If you started or acquired this business during 2015, check here  Yes  No

**I** Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions)  Yes  No

**J** If "Yes," did you or will you file required Forms 1099?  Yes  No

Social security number (SSN)  
**3844**

**B** Enter code from Instructions  
**722511**

**D** Employer ID number (EIN), (see instr.)  
**46-1545445**

**Part I Income**

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	<input type="checkbox"/>	1	897,764
2	Returns and allowances		2	0
3	Subtract line 2 from line 1		3	897,764
4	Cost of goods sold (from line 42)		4	304,389
5	Gross profit. Subtract line 4 from line 3		5	593,375
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6	
7	Gross income. Add lines 5 and 6		7	593,375

**Part II Expenses. Enter expenses for business use of your home only on line 30.**

8	Advertising	8	8,550	18	Office expense (see instructions)	18	2,445
9	Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20a	
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20b	81,723
12	Depletion	12		b	Other business property	21	4,163
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	8,739	22	Supplies (not included in Part III)	22	3,806
14	Employee benefit programs (other than on line 19)	14		23	Taxes and licenses	23	67,876
15	Insurance (other than health)	15	14,759	24	Travel, meals, and entertainment:	24a	
16	Interest:			a	Travel	24b	
a	Mortgage (paid to banks, etc.)	16a		b	Deductible meals and entertainment (see instructions)	25	48,026
b	Other	16b	28,834	26	Utilities	26	322,143
17	Legal and professional services	17	12,605	27a	Wages (less employment credits)	27a	61,444
				b	Reserved for future use	27b	

**28** Total expenses before expenses for business use of home. Add lines 8 through 27a **665,113**

**29** Tentative profit or (loss). Subtract line 28 from line 7 **(71,738)**

**30** Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions).  
Simplified method filers only: enter the total square footage of: (a) your home: \_\_\_\_\_ and (b) the part of your home used for business: \_\_\_\_\_. Use the Simplified Method Worksheet in the Instructions to figure the amount to enter on line 30

**31** Net profit or (loss). Subtract line 30 from line 29. **(71,738)**

- If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see Instructions). Estates and trusts, enter on Form 1041, line 3.
- If a loss, you must go to line 32.

**32** If you have a loss, check the box that describes your investment in this activity (see instructions).

**32a**  All investment is at risk.

**32b**  Some investment is not at risk.

Schedule C (Form 1040) 2015 RESTAURANT 722511 Page 2

Name(s) THERESA L OSWALD SSN [REDACTED]-3844

**Part III Cost of Goods Sold** (see instructions)

33	Method(s) used to value closing inventory: a <input checked="" type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36 285,543
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39 18,846
40	Add lines 35 through 39	40 304,389
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42 304,389

**Part IV Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ \_\_\_\_\_

44 Of the total number of miles you drove your vehicle during 2015, enter the number of miles you used your vehicle for:

a Business \_\_\_\_\_ b Commuting (see instructions) \_\_\_\_\_ c Other \_\_\_\_\_

45 Was your vehicle available for personal use during off-duty hours?  Yes  No

46 Do you (or your spouse) have another vehicle available for personal use?  Yes  No

47 a Do you have evidence to support your deduction?  Yes  No

b If "Yes," is the evidence written?  Yes  No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Statement #1	
48 Total other expenses. Enter here and on line 27a	48 61,444

Schedule E (Form 1040) 2015

Attachment Sequence No. 13

Page 2

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

Your social security number

**[REDACTED]** & THERESA L OSWALD

**[REDACTED]** - 2933

**Caution.** The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

**Part II Income or Loss From Partnerships and S Corporations** Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section.  Yes  No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	APINPOINT GEOTECH LLC	S	<input type="checkbox"/>	26-1817048	<input type="checkbox"/>
B			<input type="checkbox"/>		<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A		9,454		
B				
C				
D				
29a Totals				
b Totals		9,454		
30	Add columns (g) and (j) of line 29a			30
31	Add columns (f), (h), and (i) of line 29b			31 ( 9,454 )
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			32 ( 9,454 )

**Part III Income or Loss From Estates and Trusts**

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35	Add columns (d) and (f) of line 34a		35
36	Add columns (c) and (e) of line 34b		36 ( )
37	Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37

**Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder**

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

**Part V Summary**

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40
41	Total income or (loss). Combine lines 28, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41 ( 9,454 )
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code V; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43

Federal Supporting Statements

2015 PG01

Name(s) as shown on return

Your Social Security Number

THERESA L OSWALD

[REDACTED]-3844

SCHEDULE C - PART 5 - OTHER EXPENSES

Statement #1

DESCRIPTION	AMOUNT
BANK CHARGES	26,216
CREDIT CARD FEES	14,593
PEST CONTROL	2,236
SECURITY	1,863
CLEANING AND JANITORIAL	4,140
COMMUNICATIONS	1,984
UNIFORM EXPENSE	1,130
DUES AND SUBSCRIPTIONS	594
LOAN FACTORING FEES	7,695
AUTO EXPENSE	993
<b>TOTAL</b>	<b><u>61,444</u></b>

Schedule A - NOL (see instructions)

1	Enter the amount from your 2015 Form 1040, line 41, or Form 1040NR, line 39. Estates and trusts, enter taxable income increased by the total of the charitable deduction, income distribution deduction, and exemption amount (see instructions)			1	(93,792)
2	Nonbusiness capital losses before limitation. Enter as a positive number	2			
3	Nonbusiness capital gains (without regard to any section 1202 exclusion)	3			
4	If line 2 is more than line 3, enter the difference. Otherwise, enter -0-	4			
5	If line 3 is more than line 2, enter the difference. Otherwise, enter -0-	5			
6	Nonbusiness deductions (see instructions)	6	12,600		
7	Nonbusiness income other than capital gains (see instructions)	7			
8	Add lines 5 and 7	8			
9	If line 6 is more than line 8, enter the difference. Otherwise, enter -0-			9	12,600
10	If line 8 is more than line 6, enter the difference. Otherwise, enter -0-. But do not enter more than line 5	10			
11	Business capital losses before limitation. Enter as a positive number	11			
12	Business capital gains (without regard to any section 1202 exclusion)	12			
13	Add lines 10 and 12	13			
14	Subtract line 13 from line 11. If zero or less, enter -0-	14			
15	Add lines 4 and 14	15			
16	Enter the loss, if any, from line 16 of your 2015 Schedule D (Form 1040). (Estates and trusts, enter the loss, if any, from line 19, column (3), of Schedule D (Form 1041).) Enter as a positive number. If you do not have a loss on that line (and do not have a section 1202 exclusion), skip lines 16 through 21 and enter on line 22 the amount from line 15	16			
17	Section 1202 exclusion. Enter as a positive number			17	
18	Subtract line 17 from line 16. If zero or less, enter -0-	18			
19	Enter the loss, if any, from line 21 of your 2015 Schedule D (Form 1040). (Estates and trusts, enter the loss, if any, from line 20 of Schedule D (Form 1041).) Enter as a positive number	19			
20	If line 18 is more than line 19, enter the difference. Otherwise, enter -0-	20			
21	If line 19 is more than line 18, enter the difference. Otherwise, enter -0-			21	
22	Subtract line 20 from line 15. If zero or less, enter -0-			22	
23	Domestic production activities deduction from your 2015 Form 1040, line 35, or Form 1040NR, line 34 (or included on Form 1041, line 15a)			23	
24	NOL deduction for losses from other years. Enter as a positive number			24	
25	NOL. Combine lines 1, 9, 17, and 21 through 24. If the result is less than zero, enter it here and on page 1, line 1a. If the result is zero or more, you do not have an NOL.			25	(81,192)